BEFORE THE ILLINOIS COMMERCE COMMISSION

Docket No. 12-0550

Direct Testimony of Patricia H. Pellerin
On Behalf of AT&T Illinois

AT&T Illinois Exhibit 1.0

December 5, 2012

ISSUES
2, 5-8, 13, 15, 19-22, 24, 30,
36, 37, 39-41, 44-47, 49, 70

TABLE OF CONTENTS

DIRECT TESTIMONY OF PATRICIA H. PELLERIN

ON BEHALF OF AT&T ILLINOIS

I. INTRODUCTION AND SUMMARY

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Patricia H. Pellerin. Patricia H. Pellerin. My business address is 1441 North Colony Road, Meriden, Connecticut 06450.

Q. BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR POSITION?

A. I am employed by The Southern New England Telephone Company d/b/a AT&T Connecticut ("AT&T Connecticut"), which provides services on behalf of AT&T Services, Inc., an authorized agent for the AT&T incumbent local exchange company subsidiaries (including AT&T Illinois), as an Associate Director –Wholesale Regulatory Support.

Q. PLEASE DESCRIBE YOUR EDUCATION AND EMPLOYMENT EXPERIENCE.

A. I attended Middlebury College in Middlebury, Vermont and received a Bachelor of Science Degree in Business Administration, magna cum laude, from the University of New Haven in West Haven, Connecticut. I have held several assignments in Network Engineering, Network Planning, and Network Marketing and Sales since joining AT&T Connecticut in 1973. From 1994 to 1999 I was a leading member of the wholesale marketing team responsible for AT&T Connecticut's efforts supporting the opening of the local market to competition in Connecticut. I assumed my current position in April 2000.

Q. WHAT ARE YOUR CURRENT RESPONSIBILITIES?

A. As Associate Director – Wholesale Regulatory Support, I am responsible for providing regulatory and witness support relative to various wholesale products and pricing, supporting negotiations of local interconnection agreements ("ICAs") with competitive local exchange carriers ("CLECs") and Commercial Mobile Radio Services ("CMRS" or "wireless") carriers, participating in regulatory and judicial proceedings, and guiding compliance with the Federal Telecommunications Act of 1996 ("1996 Act") and its implementing rules.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE STATE REGULATORY COMMISSIONS?

A. Yes. I have previously testified before the Illinois Commerce Commission ("Commission" or "ICC"). I have also testified before the public utilities commissions of Alabama, California, Connecticut, Florida, Georgia, Kansas, Kentucky, Michigan, North Carolina, Ohio, Tennessee, Texas and Wisconsin.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. My testimony explains and supports AT&T Illinois' position regarding issues as reflected in the Decision Point List ("DPL") relative to Issues 2, 5-8, 13, 15, 19-22, 24, 30, 36, 37, 39-41, 44-47 and 49.[1] This includes issues related to section 251(c)(2) Interconnection,[2]

[1] When I refer to the DPL in this testimony, I am referring to the version of that document that AT&T Illinois filed with its Response to Sprint's Petition for Arbitration on October 29, 2012. Similarly, the Issue Descriptions in this testimony are taken from that version of the DPL.

[2] In this testimony, I use "Interconnection" (upper case "I") to refer to the Interconnection required by section 251(c)(2) of the 1996 Act, and I use "interconnection" to refer more broadly to interconnection in general. Thus, for example, I refer to the existing CMRS "interconnection" arrangement, over which carriers route both IXC and non-access traffic (as well has backhaul), and a section 251(c)(2) "Interconnection" arrangement (over

Interconnection Facilities, intercarrier compensation, and pricing. Disputed language appears in the General Terms and Conditions ("GT&C"), Attachment 02-Network Interconnection ("Attachment 2"), and the Pricing Schedule of the ICA presented to the Commission for arbitration. The resulting ICA will be effective between AT&T Illinois and SprintCom, Inc., WirelessCo. L.P. (through their agent Sprint Spectrum L.P.), NPCR, Inc. d/b/a Nextel Partners, and Nextel West Corp., which I collectively refer to as "Sprint." When I refer in my testimony to the existing (or current) ICA, I am referring to the ICA between AT&T Illinois and Sprint Spectrum L.P.

Q. PLEASE EXPLAIN HOW YOU HAVE ORGANIZED YOUR TESTIMONY.

A. I have organized my testimony to address related issues together rather than addressing each issue in numerical order. The first issues I will address are Issues 49(a) and (b), which involve AT&T Illinois' proposal for the establishment of a process, and associated rates, terms and conditions, for transitioning from the current network interconnection arrangement with Sprint to an Interconnection arrangement that conforms with section 251(c)(2) of the 1996 Act. In addressing this issue, I include a discussion of the current and proposed network interconnection arrangements. I address this issue first because it provides an overview of, and background for, many of the other issues that I will address. I next discuss a group of issues involving the definition, uses and pricing of Interconnection Facilities (Issues 13(a) and (b), 19, 20(a) and (b), 21, 22, 24(b), 44, and 45(a), (b) and (c)). Next, I address three issues related to the question of whether Sprint should be fully financially responsible for Interconnection Facilities that connect its

which carriers should route only non-access traffic). See discussion of Issues 13 and 19. I have tried to be consistent in this regard, but may not have succeeded in all instances.

network to the point of interconnection on AT&T Illinois' network, as AT&T Illinois proposes, or whether AT&T Illinois should be forced to bear half of the costs of those facilities, as proposed by Sprint (Issues 15, 46 and 47). I then address an issue concerning Sprint's use of the ICA to exchange Third-Party wholesale traffic (Issue 2). Next, I will address a number of issues involving definitions and terms related to intercarrier compensation (Issues 5, 6, 7, 8, 30(a) and (b), 36(a) and (b), 37, 39(a), (b), (c) and (d), 40(a) and (b), and 41). Finally, I will address Issue 70, which deals with the Pricing Sheets to be attached to the ICA.

II. TRANSITION FROM EXISTING CMRS NETWORK INTERCONNECTION ARRANGEMENT TO SECTION 251(c)(2) NETWORK INTERCONNECTION ARRANGEMENT (ISSUES 49(a) AND (b))

ISSUE 49(a): Should the ICA include AT&T's language to address the interim period between the Effective Date and the implementation of the section 251(c)(2) interconnection arrangements set forth in Attachment 2?

ISSUE 49(b): What rates, terms and conditions should apply to convert from the existing interconnection arrangement to the 251(c)(2) interconnection arrangement?

(GT&C, Section 2.99; Attachment 2, Sections 1.2-1.2.1.2.3, 3.5.4, 3.8.3, 3.8.4)

Q. PLEASE IDENTIFY THE LANGUAGE IN DISPUTE FOR ISSUES 49(a) AND 49(b).

A. These issues involve AT&T Illinois' proposed language for Attachment 2, section 1.2, entitled "Transition," and subsections 1.2.1 through 1.2.1.2.3, as well as section 3.5.4. That language establishes a process, and associated rates, terms and conditions, for transitioning from the current network interconnection arrangement with Sprint to an Interconnection arrangement that conforms with section 251(c)(2) of the 1996 Act. For

the reasons that I will discuss, the Commission should adopt these provisions. Issue 49(b) also involves Sprint's proposed language for Attachment 2, sections 3.8.3 and 3.8.4, which would unfairly require AT&T Illinois to bear all of the costs associated with Sprint's request to convert to a section 251(c)(2) network Interconnection arrangement. The Commission should reject Sprint's proposals.

Q. WHAT IS THE DIFFERENCE BETWEEN A SECTION 251(c)(2) INTERCONNECTION ARRANGEMENT AND SPRINT'S CURRENT ARRANGEMENT WITH AT&T ILLINOIS?

A. AT&T Illinois and CLECs (as opposed to CMRS providers like Sprint) have implemented standard Interconnection arrangements that comply with the requirements of section 251(c)(2) since the passage of the 1996 Act. To comply with section 251(c)(2)(B) of the 1996 Act, an Interconnection arrangement must include one or more points of interconnection ("POIs") on the incumbent local exchange carrier's ("ILEC's") (*i.e.*, AT&T Illinois') network. These POIs serve as the demarcation points between the parties' networks for the purpose of section 251(c)(2) Interconnection. In this arrangement, each party is financially responsible for the facilities on its side of the POI(s). Pursuant to the Supreme Court's decision in *Talk America, Inc., v. Michigan Bell Tel. Co.*, 131 S.Ct. 2254 (June 9, 2011), existing entrance facilities that connect the networks of the CLEC and AT&T Illinois and that are used solely for section 251(c)(2) Interconnection (and not, for example, for backhaul (which I explain below) or 911 traffic) must be made available to the CLEC at a TELRIC-based price.[3]

[3] I am not a lawyer, and AT&T Illinois will fully address in its briefs the legal authority for its assertion that TELRIC-priced facilities are required only for exchange of traffic between the parties' end users. I provide my

Sprint and AT&T Illinois, on the other hand, have been operating under a network arrangement whereby Sprint delivers traffic to AT&T Illinois at a POI on AT&T Illinois' network, and AT&T Illinois delivers traffic to Sprint at a POI on Sprint's network. Since section 251(c)(2)(B) clearly requires that the POI be established on the ILEC's network, the designation of a POI at the CMRS location for land-to-mobile traffic is not consistent with section 251(c)(2) Interconnection.

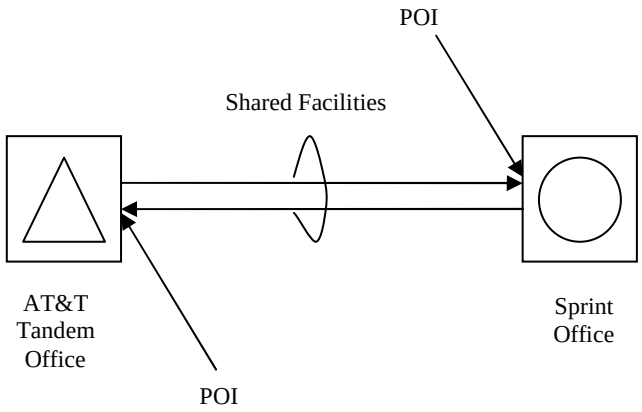
Q. CAN YOU ILLUSTRATE THE PARTIES' EXISTING CMRS INTERCONNECTION ARRANGEMENT?

A. Yes. As reflected in the simplified diagram below, there are two reciprocal POIs for each interconnection between the parties' networks, with facilities running between the POIs. Sprint purchases facilities connecting the two networks from AT&T Illinois' access tariff, at prices that are not (and that are not required to be) TELRIC-based.[4] These facilities are used by Sprint not only for the mutual exchange of traffic between end users of Sprint and AT&T Illinois (Interconnection traffic), but for other types of traffic as well, including backhaul traffic (*i.e.*, traffic carried between points on Sprint's own network for the benefit of its own customers), transit traffic and 911 traffic. Sprint and AT&T Illinois previously agreed to share the cost of the facilities used to connect the parties' switches and apportion the costs based on a shared facility factor ("SFF"). AT&T Illinois bills Sprint the tariffed access price for this facility, discounted by the amount of the SFF. The

understanding of AT&T Illinois' obligation with respect to Interconnection Facilities in my testimony below for Issues 20(a) and (b).

[4] Sprint may self-provision and/or obtain facilities from other carriers to connect with AT&T Illinois. It is my understanding, however, that Sprint elected to lease most if not all such facilities from AT&T Illinois.

SFF in Sprint's current ICA is 24%.[5] The current 24% SFF is based on the premise that of all the interconnection traffic that flows over the shared facility, 24% is originated by AT&T Illinois; accordingly, AT&T Illinois bears 24% of the cost of the facility.



Q. IS THIS A COMMON INTERCONNECTION ARRANGEMENT BETWEEN ILECS AND CMRS CARRIERS?

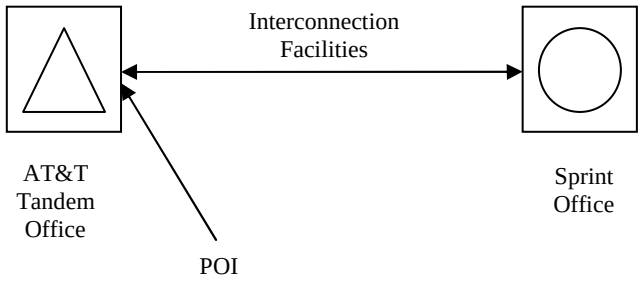
A. Yes. This arrangement has been implemented by AT&T ILECs and CMRS providers throughout AT&T's 22-state footprint[6] and has been operational for many years. In fact, these arrangements generally predate the 1996 Act. It is my understanding that other ILECs interconnect with CMRS providers in this manner as well. AT&T Illinois witness Carl Albright provides a more detailed diagram with his testimony for Issue 49 to reflect a typical network interconnection arrangement between a CMRS carrier and AT&T Illinois.

[5] AT&T Illinois proposes language in section 1.2.1 of the Pricing Schedule to refer to the SFF as an example of a carrier-specific factor that would not apply to a carrier adopting Sprint's ICA pursuant to section 252(i) of the 1996 Act. To the extent the ICA includes a SFF for Sprint, this language is important to be clear that an adopting carrier would be subject to its own SFF.

[6] The exception is Connecticut, where AT&T Connecticut and CMRS providers do not share facilities. However, the reciprocal POI architecture in Connecticut is the same as in AT&T's other states, which is the pertinent point here.

Q. CAN YOU PROVIDE A SIMPLE DIAGRAM TO REFLECT WHAT A SECTION 251(c)(2) INTERCONNECTION ARRANGEMENT WITH SPRINT WOULD LOOK LIKE?

A. Yes. The following diagram depicts a single POI at the AT&T Illinois tandem office. This POI serves as the demarcation point between the parties' network for the purpose of section 251(c)(2) Interconnection. As I previously mentioned, and as I will discuss more fully in connection with Issues 15, 46 and 47, under this arrangement Sprint should be financially responsible for the facilities that connect its network to the POI. Thus, AT&T Illinois should not be required to "share" in the costs of such facilities as it has agreed to do under the current, CMRS interconnection arrangement. At the same time, Sprint benefits from the change to an interconnection arrangement that complies with section 251(c)(2), because with a section 251(c)(2) Interconnection arrangement, unlike the CMRS arrangement, Sprint will be able to purchase from AT&T Illinois existing entrance facilities at the TELRIC-based price(s) set forth in the ICA's Pricing Sheet, to the extent that such facilities are used solely for Section 251(c)(2) Interconnection. (In the proposed ICA, the parties have adopted the term "Interconnection Facilities" to describe such entrance facilities (See Issue 19)). Mr. Albright provides a detailed diagram to reflect a typical section 251(c)(2) Interconnection arrangement.



Q. YOU HAVE EXPLAINED THAT THE PARTIES CURRENTLY HAVE INTERCONNECTION ARRANGEMENTS THAT DO NOT COMPLY WITH SECTION 251(c)(2). IS THAT LEGAL?

A. Absolutely. Under the 1996 Act, interconnecting parties are free to agree to ICA provisions without regard to the requirements of section 251;[7] those requirements are mandatory only if parties are unable to agree and a state commission is called upon to resolve the disagreement. Thus, AT&T Illinois' current non-251(c)(2) compliant interconnection arrangements with Sprint and other CMRS providers is perfectly legal.

Q. NOW THAT THE PARTIES ARE ENTERING INTO A NEW INTERCONNECTION AGREEMENT, IS IT AT&T ILLINOIS THAT INSISTED THAT THEY CHANGE THEIR INTERCONNECTION ARRANGEMENTS TO COMPLY WITH SECTION 251(c)(2)?

A. No. AT&T Illinois would have been willing to maintain the current arrangements, just as it is doing with all other CMRS providers. Sprint, however, wants to avail itself of the right to pay TELRIC-based prices for Interconnection Facilities, and Sprint is entitled to do that only if the parties interconnect in accordance with section 251(c)(2).

[7] 47 U.S.C. § 252(a)(1).

Q. HAS SPRINT AGREED TO A COMPLETE CHANGE FROM THE EXISTING CMRS ARRANGEMENT TO A SECTION 251(c)(2) INTERCONNECTION ARRANGEMENT?

A. No. In order to take advantage of the ability to obtain from AT&T Illinois Interconnection Facilities at TELRIC-based prices, Sprint requested section 251(c)(2) Interconnection, as it is entitled to do, and AT&T Illinois has agreed to provide section 252(c)(2) Interconnection, as it must. At the same time, though, Sprint seeks to maintain certain aspects of its existing CMRS interconnection arrangement that are inconsistent with section 251(c)(2). Sprint is not entitled to that, and while AT&T Illinois was previously willing to agree to interconnection that did not comply with section 251(c)(2) as part of a voluntary arrangement that suited both parties' needs, AT&T Illinois cannot be required to accept an arrangement in which Sprint gets the benefit of those aspects of section 251(c)(2) that work to Sprint's advantage, while spurning the aspects of section 251(c)(2) that, until now, provided the balance that made the arrangement acceptable to both parties.

Q. IN WHAT WAYS ARE SPRINT'S PROPOSALS INCONSISTENT WITH SECTION 251(c)(2)?

A. Sprint's proposals are inconsistent with section 251(c) (2) in two major respects. First, Sprint proposes to maintain a cost-sharing arrangement under which AT&T Illinois would bear 50% of the cost of the Interconnection Facilities used by Sprint to connect its network with the POI.[8] The net effect of this proposal would be to require AT&T Illinois to provide Sprint with existing Interconnection Facilities in exchange for a price equal to

[8] Under the parties' current ICA, AT&T Illinois bears 24% of the cost of the shared access facilities used for interconnection.

only one-half the TELRIC based rate. Sprint's proposal in this regard is directly contrary to the well-recognized principle that, under section 251(c)(2), each carrier is financially responsible for the transport facilities on its side of the POI. (See Issues 15, 46 and 47).

Second, Sprint proposes that it be allowed to use TELRIC-priced Interconnection Facilities not only to route Interconnection traffic (*i.e.*, traffic exchanged between end users of Sprint and AT&T Illinois), but also to route traffic that is not exchanged with AT&T Illinois end users (*e.g.*, backhaul traffic, 911 traffic and traffic sent by Sprint to, or received by Sprint from, interexchange carriers ("IXCs")). Sprint's proposal in this regard is contrary to the rule that ILECs are required to make TELRIC-priced entrance facilities available solely for Interconnection as defined by the FCC for purposes of section 251(c)(2), *i.e.*, "the linking of two networks for the mutual exchange of traffic." 47 C.F.R §51.5. (See Issues 13, 19 and 20). Sprint's attempt to cherry pick the aspects of each interconnection arrangement that are advantageous only to Sprint and cobble together something entirely new should be rejected.

Q. WHY HAS AT&T ILLINOIS PROPOSED TRANSITION LANGUAGE IN ATTACHMENT 2, SECTION 1.2?

A. As demonstrated above, there are meaningful differences between the parties' existing CMRS interconnection arrangement and a section 251(c)(2) Interconnection arrangement. When the successor ICA resulting from this arbitration goes into effect, the parties will still be interconnected pursuant to the existing arrangement. It is not possible to "flash cut" from the existing arrangement to the new arrangement at the moment the ICA becomes effective. Furthermore, Sprint is not entitled to TELRIC-based pricing for

Interconnection Facilities unless and until the parties' interconnection arrangement is compliant with section 251(c)(2). AT&T Illinois has proposed language in Attachment 2, section 1.2 to maintain the status quo during the interim period between the ICA's effective date and the time when the conversion to a section 251(c)(2) Interconnection arrangement is complete. This includes maintaining the existing cost sharing arrangement with a SFF of 24%, with each party retaining the right to periodically request review of that factor pursuant to a traffic study. The absence of transition language would leave a void in the ICA that would most likely lead to disputes.

Q. PLEASE EXPLAIN WHY IT IS NOT POSSIBLE TO "FLASH CUT" FROM THE EXISTING ARRANGEMENT TO THE NEW SECTION 251(c)(2) INTERCONNECTION ARRANGEMENT AT THE MOMENT THE ICA IS EFFECTIVE.

A As I have previously indicated, under the existing network arrangement Sprint uses the same transport facilities, obtained from AT&T Illinois' access tariff, to carry all of its traffic that is carried over AT&T Illinois' network facilities, including traffic that does not connect with an AT&T Illinois switch (*i.e.*, backhaul). Thus, in addition to Interconnection traffic (*i.e.*, traffic exchanged between Sprint's and AT&T Illinois' end users), Sprint uses the same facilities to carry 911 traffic, traffic between Sprint and IXCs, and backhaul traffic. However, the Interconnection Facilities that Sprint seeks to obtain at TELRIC-based prices pursuant to section 251(c)(2) may be used solely for traffic exchanged between end users of Sprint and AT&T Illinois. Accordingly, as part of the transition from the existing CMRS arrangement to a section 251(c)(2) Interconnection arrangement, Sprint will be required to obtain Interconnection Facilities under the terms of the ICA that are separate from the transport facilities used for

backhaul and other forms of traffic that are not eligible for transport over TELRIC-priced Interconnection Facilities.[9]

Q. WHAT IS BACKHAUL TRAFFIC?

A. As I mentioned above, backhaul traffic is traffic that is carried between two points on Sprint's network and that does not involve an AT&T Illinois customer, or even an AT&T Illinois switch. As summarized by the Supreme Court in footnote 2 of its *Talk America Order*, backhauling occurs:

> when a competitive LEC uses an entrance facility to transport traffic from a leased portion of an incumbent network to the competitor's own facilities. Backhauling does not involve the exchange of traffic between incumbent and competitive networks. … It thus differs from interconnection—"the linking of two networks for the mutual exchange of traffic." 47 CFR §51.5 (2010).

So, for example, when Sprint leases an entrance facility to transport traffic from its switch to an AT&T Illinois tandem building for connection to a Sprint cell tower (rather than to an AT&T Illinois switch), that traffic is backhaul traffic.

Q. SHOULD AT&T ILLINOIS BE REQUIRED TO BEAR ALL THE COSTS ASSOCIATED WITH SPRINT'S REQUEST TO CONVERT FROM THE EXISTING CMRS ARRANGEMENT TO A SECTION 251(c)(2) INTERCONNECTION ARRANGEMENT?

A. No, but that is what Sprint's language in Attachment 2, sections 3.8.3 and 3.8.4 would require. Specifically, section 3.8.3 provides that AT&T Illinois shall perform any and all necessary transition work at no cost to Sprint. This would include any network costs associated with shifting Sprint's services from one facility to another so that only eligible services use TELRIC-priced Interconnection Facilities. In addition, section 3.8.4 would

[9] Mr. Albright describes more fully what is required to transition the parties' current network arrangement to a section 251(c)(2) Interconnection arrangement. (Issue 49).

prohibit AT&T Illinois from charging Sprint any "rearrangement, disconnection, termination or other non-recurring fees that may be associated with" the conversion to the new Interconnection arrangement.[10] Sprint is the party seeking to change the parties' existing arrangement in order to avail itself of TELRIC-based pricing for Interconnection Facilities. Accordingly, as provided for in AT&T Illinois' proposed sections 1.2.1.2.1 and 3.5.4, Sprint should issue the required access service requests ("ASRs") and should bear the cost of processing those orders, including the cost of any network connections and/or disconnections.[11] In addition, there may be termination liability associated with the disconnection of existing access facilities – facilities for which Sprint would have received a lower price by committing to a term plan. Such term plans typically have early termination fees, and Sprint should not be exempt from those fees simply because it is voluntarily converting to a different arrangement with AT&T Illinois.

Q. ARE THERE OTHER REASONS SPRINT'S LANGUAGE SHOULD BE REJECTED?

A. Yes. Sprint's proposed section 3.8.3 would permit Sprint to receive TELRIC-based pricing on facilities used for non-Interconnection services, including backhaul, without actually converting those facilities. (See Issue 44). As I stated above, Sprint's language implies (incorrectly) that AT&T Illinois need only perform simple record-keeping changes for the parties to effectuate the transition to the section 251(c)(2) Interconnection arrangement – in other words, that AT&T Illinois need only change Sprint's billing, and

[10] Mr. Albright describes more fully what additional work AT&T Illinois would need to perform on Sprint's behalf. (Issue 49).

[11] Sprint uses the term "rearrangement" in section 3.8.4. However, there is no single activity that constitutes "rearrangement." Rather, there are connections, disconnections, and ordering activities that may collectively result in a different network arrangement.

that Sprint has to do nothing more than cooperate in identifying the facilities to be re-priced. Sprint's language further states that AT&T Illinois cannot require Sprint to rearrange its network in any way as a condition of receiving TELRIC-based pricing on facilities. To add insult to injury, Sprint's language provides that AT&T Illinois must change Sprint's rates to TELRIC-based ones within 90 days of the effective date of the ICA, and that those rate changes would be retroactive to the effective date. Thus, Sprint's language would not only permit it to receive TELRIC-based pricing on facilities used for traffic that is not Interconnection traffic, but also for backhaul, in clear violation of *Talk America*.

Q. DOES SPRINT ACKNOWLEDGE ELSEWHERE THAT IT IS NOT ENTITLED TO TELRIC-BASED PRICING WHEN FACILITIES ARE USED FOR BACKHAUL?

A. Yes. Sprint agreed to language in section 3.5.3 that states, in pertinent part, as follows :

> Sprint may not purchase Interconnection Facilities pursuant to this Agreement for any other purpose, including, without limitation … (ii) for backhauling traffic (e.g., to provide a final link in the dedicated transmission path between Sprint's customer and Sprint's switch, or to carry traffic to and from its own end users)….[12]

Yet, Sprint has proposed language in section 3.8.3 that would require AT&T Illinois to price facilities Sprint uses for backhaul at TELRIC-based rates when those facilities are operational at the effective date of the ICA, even though Sprint agrees it is not entitled to subsequently purchase Interconnection Facilities that are to be used for backhaul. It is not clear how Sprint would reconcile these conflicting provisions. At no time should

[12] There is additional language in section 3.5.3 that remains in dispute that is unrelated to backhaul (Issue 20).

AT&T Illinois be limited to charging TELRIC-based rates when the facilities are used for backhaul.

Q. HOW SHOULD THE COMMISSION RULE ON ISSUE 49?

A. The Commission should adopt AT&T Illinois' language, which i) maintains the status quo on an interim basis, as of the effective date of the ICA; ii) provides for a logical transition from the existing CMRS interconnection arrangement to a section 251(c)(2) Interconnection arrangement; and iii) provides the appropriate allocation of ordering responsibilities and costs to implement the change. Sprint's language, which improperly shifts its costs to AT&T Illinois and improperly provides for TELRIC-based pricing for non-Interconnection services, should be rejected.

III. DEFINITIONS, USES, AND PRICING OF INTERCONNECTION FACILITIES (ISSUES 13(a) AND (b), 19, 20(a) AND (b), 21, 22, 24(b), 44, 45(a), (b) AND (c))

ISSUE 13(a): Should the definition of Interconnection be based on both Part 51 and Part 20 of the FCC's rules?

(GT&C, Section 2.59)

ISSUE 13(b): Should there be a distinction between "Interconnection", as defined in 47 C.F.R. Section 51.5, and "interconnection"?

(GT&C, Section 2.59; Attachment 2, Section 1.1)

Q. PLEASE SUMMARIZE THE DISPUTED LANGUAGE THAT IS THE SUBJECT OF ISSUES 13(a) AND 13(b).

A. These issues relate to the definition of "Interconnection" in GT&C, section 2.59 . AT&T Illinois proposes to define "Interconnection" to mean the same as the definition of Interconnection that was adopted by the FCC in Section 51.5 of its rules implementing sections 251 and 252 of the 1996 Act. Sprint, on the other hand, proposes to define

Interconnection by cross-referencing the FCC's definition of "Interconnection or Interconnected" in 47 C.F.R. § 20.3, in addition to 47 C.F.R. § 51.5.

Q. WHY SHOULD THE COMMISSION REJECT SPRINT'S PROPOSED INCLUSION OF 47 C.F.R. § 20.3 IN THE DEFINITION OF THE TERM "INTERCONNECTION"?

A. At Sprint's request, the parties have negotiated and are arbitrating this ICA pursuant to sections 251 and 252 of the 1996 Act. Part 51 of the FCC's Rules was promulgated for the purpose of implementing sections 251 and 252.[13] Accordingly, the appropriate definition of Interconnection to adopt for purposes of a section 251/252 ICA is the definition that appears in section 51.5 of Part 51. For the purpose of the Interconnection requirement established by section 251(c)(2), the FCC defined "Interconnection" in 47 C.F.R. § 51.5 as the "linking of two networks for the mutual exchange of traffic." Part 20 of the FCC's rules, on the other hand, was not promulgated for the purpose of implementing sections 251 and 252. Rather, the purpose of the rules in Part 20 is to "set forth the requirements and conditions applicable to commercial mobile radio service providers."[14] For that purpose, the FCC adopted a much broader definition of "Interconnection" than the definition in Rule 51.5.[15] Sprint's proposal to incorporate the broader definition of "Interconnection or Interconnected" contained in 47 C.F.R. § 20.3 goes beyond the requirements of section 251(c)(2) and is part of Sprint's improper

[13] 47 C.F.R. § 51.1.
[14] 47 C.F.R. § 20.1.
[15] The definition in 47 C.F.R. § 20.3 reads as follows: *Interconnection or Interconnected.* Direct or indirect connection through automatic or manual means (by wire, microwave, or other technologies such as store and forward) to permit the transmission or reception of messages or signals to or from points in the public switched network.

attempt to obtain at TELRIC-based rates facilities that are not used for Interconnection as the FCC defined that term for purposes of section 251(c)(2).

Q. IS THERE ANYTHING IN THE 1996 ACT THAT SPECIFICALLY SUPPORTS AT&T ILLINOIS' POSITION ON THIS ISSUE?

A. Yes. Section 252(c) of the 1996 Act, which is entitled "Standards for arbitration," provides in pertinent part:

> In resolving by arbitration under subsection (b) of this section any open issues and imposing conditions upon the parties to the agreement, a State commission shall:
>
> (1) ensure that such resolution and conditions meet the requirements of section 251, **including the regulations prescribed by the Commission pursuant to section 251**; (emphasis added)

As I explained, the FCC prescribed 47 C.F.R. § 51.5 pursuant to section 251; it did not prescribe 47 C.F.R. § 20.3 pursuant to section 251. Thus, section 252(c)(1) effectively says in so many words that Interconnection for purposes of the parties' section 251/252 ICA shall be as defined in Rule 51.5, and not Rule 20.3

Q. CAN YOU PROVIDE AN EXAMPLE OF SPRINT'S LANGUAGE THAT WOULD EXPAND THE APPLICATION OF TELRIC-PRICED FACILITIES TO NON-INTERCONNECTION TRAFFIC IF A REFERENCE TO FCC RULE 20.3 WERE IMPROPERLY INCLUDED IN THE DEFINITION OF INTERCONNECTION?

A. Yes. Sprint's language in Attachment 2, section 3.1.3 (see Issue 2) states: "***Nothing in this Agreement shall be construed to prohibit Sprint from using the Interconnection Facilities to deliver any Authorized Services traffic to or from any Third-Party.***" As part of their resolution of Issues 1(b) and 3, the parties have agreed that "Authorized Services" will be broadly defined to mean "those services that each Party lawfully provides pursuant to Applicable Law." Thus, "Authorized Services" traffic is not limited

to traffic mutually exchanged between Sprint and AT&T Illinois. Therefore, for example, traffic between Sprint and an IXC, routed via AT&T Illinois' tandem, is Authorized Services traffic. However, as discussed above in connection with Issue 49, and as I will discuss in connection with Issues 20(a) and (b) below, Sprint is not entitled to use TELRIC-priced facilities for the transmission of this third party access traffic.

Q. WITH RESPECT TO ISSUE 13(b), WHY HAS AT&T ILLINOIS PROPOSED LANGUAGE IN GT&C, SECTION 2.59 TO EXPLAIN THE USE OF LOWER CASE I "INTERCONNECTION"?

A. AT&T Illinois' proposed language accommodates terms and conditions in the ICA that address both section 251(c)(2) Interconnection, as defined in 47 C.F.R § 51.5, and other interconnection arrangements that do not fall within that definition (*e.g.*, indirect interconnection) by making clear that capital "I" Interconnection specifically means as defined by Part 51.5, while lower case "i" interconnection refers to connections for the exchange of all Authorized Services traffic. The distinction is relevant because only those existing facilities used for Interconnection as defined in section 251(c)(2) and 47 C.F.R. § 51.5 (*i.e.*, "Interconnection Facilities") are subject to TELRIC-based pricing. Facilities connecting the networks that are used for sending other traffic, such as backhaul traffic, 911 traffic or Equal Access traffic, which does not constitute the mutual exchange of traffic between end users of Sprint and AT&T Illinois, are not eligible for TELRIC-based pricing. AT&T Illinois' additional language in GT&C, section 2.59 will remove the potential for disputes regarding any ambiguity between "Interconnection" and "interconnection" as those words are used in the ICA.

Q. IS THERE ANY OTHER PROVISION OF THE ICA IMPLICATED BY ISSUE 13(b)?

A. Yes. In Attachment 2, section 1.1, which describes the overall purpose of that Attachment, AT&T Illinois proposes to use the term "interconnection" with a lower case initial "i" in recognition of the fact that the Attachment deals generally with the connection of the parties' networks for the exchange of Authorized Services traffic, and that not all provisions deal with Interconnection as that term is defined in FCC Rule 51.5.

ISSUE 19: Should the definition of "Interconnection Facilities" reference the FCC's definition of "Interconnection" in 47 C.F.R. § 51.5?

(GT&C, Section 2.60; Attachment 2, Section 3.3)

Q. WHAT IS THE CURRENT STATUS OF THIS ISSUE?

A. Since AT&T Illinois filed its Response DPL, the parties have resolved some of the disputed language by agreeing to remove the definitions of "Facilities" and "Entrance Facilities." The only remaining disputes involve (i) the definition of "Interconnection Facilities," as set forth in GT&C, section 2.60; and (ii) Sprint's proposal to include a reference to its cost sharing proposal in Attachment 2, section 3.3.

Q. WHAT IS THE DISPUTE REGARDING THE DEFINITION OF "INTERCONNECTION FACILITIES"?

A. The parties agree that the term "Interconnection Facilities" should be defined as "transmission facilities that connect Sprint's network with AT&T Illinois' network for the mutual exchange of traffic" and that "these facilities connect Sprint's network from Sprint's Switch or associated point of presence within the LATA [Local Access Transport Area] to the POI for the transmission and routing of telephone exchange service and/or exchange access service." The parties' dispute concerns the last sentence

of the definition, which states as follows: "For avoidance of doubt, but subject to Attachment 02, Section 5.6, the facilities referred to in this definition mean the entrance facilities used **exclusively** for Interconnection **as defined at 47 C.F.R. Section 51.5**." AT&T Illinois proposes the bold underlined language to make clear that Interconnection Facilities should be used exclusively for Interconnection as the FCC has defined that term in the context of section 251(c)(2) of the 1996 Act (*i.e.*, 47 C.F.R. § 51.5). Sprint objects to referencing the FCC's definition.

Q. WHY IS IT APPROPRIATE TO REFERENCE 47 C.F.R. § 51.5 IN THE ICA'S DEFINITION OF "INTERCONNECTION FACILITIES"?

A. Because, as I demonstrated above, that is the rule where the FCC defined "Interconnection" for the purpose of implementing section 251(c)(2) of the 1996 Act. Interconnection Facilities are those facilities that are used solely for section 251(c)(2) Interconnection. The parties separately dispute (in Issue 13(a)) the definition of "Interconnection," in which Sprint proposes to incorporate the FCC's inapplicable 47 C.F.R. § 20.3 definition of "Interconnection or Interconnected," which has no place in a section 251/252 ICA and which is broader than the definition under Rule 51.5 that applies here. Importantly, Sprint bases its proposal for Issue 13(a), at least in part, on its desire to reflect indirect interconnection in the ICA. If the Commission adopts Sprint's proposal for Issue 13(a), it is essential that the definition of Interconnection Facilities be limited to facilities used for Interconnection as defined for the purpose of section 251(c)(2) Interconnection in order to make clear that Sprint is not entitled to TELRIC-based pricing for other types of facilities, including facilities used for interconnection (as opposed to "Interconnection") that does not meet the FCC's definition in Rule 51.5. I

will further explain why TELRIC-based Interconnection Facilities must be used exclusively for Interconnection as defined in FCC Rule 51.5 in connection with Issues 20(a) and 20(b), below.

Q. WHAT IS THE DISPUTE REGARDING THE USE OF INTERCONNECTION FACILITIES AS REFLECTED IN ATTACHMENT 2, SECTION 3.3?

A. Sprint proposes to include in Attachment 2, section 3.3, language providing that Sprint's financial responsibility for the facilities on its side of the POI is limited by section 3.9.1. Section 3.9.1, which is addressed in Issue 46, is Sprint's language that would require AT&T Illinois to share in the cost of the transmission facilities (including Interconnection Facilities Sprint obtains from AT&T Illinois at TELRIC-based rates) located on Sprint's side of the POI. For the reasons discussed in connection with Issue 46 below, Sprint's sharing proposal in section 3.9.1 is contrary to section 251(c)(2) of the 1996 Act and should be rejected. The resolution of Issue 46 will resolve this aspect of Issue 19 as well.

ISSUE 20(a): Should the ICA state that the Interconnection Facilities available to Sprint at TELRIC prices be limited to those facilities used "solely" for section 251(c)(2) interconnection?

(Attachment 2, Section 3.5.2)

ISSUE 20(b): Should the ICA provide that Interconnection Facilities purchased at TELRIC rates may not be used for 911 and Equal Access trunks?

(Attachment 2, Sections 3.4, 3.5.3)

Q. WHAT CONTRACT LANGUAGE IS THE SUBJECT OF ISSUE 20(a)?

A. Issue 20(a) involves Attachment 2, section 3.5.2, which addresses AT&T Illinois' obligation to provide Sprint with access to existing Interconnection Facilities at TELRIC-based rates. While both parties agree that AT&T Illinois shall provide Sprint with such

facilities when used for Interconnection purposes within the meaning of section 251(c)(2), Sprint objects to AT&T Illinois' proposed language stating that Interconnection Facilities may be used "solely" for such purposes.

Q. WHY SHOULD THE ICA LIMIT SPRINT'S USE OF TELRIC-PRICED INTERCONNECTION FACILITIES SOLELY TO SECTION 251(c)(2) INTERCONNECTION?

A. I am not a lawyer and this issue will be fully addressed in AT&T Illinois' briefs in this proceeding. However, it is my understanding that the obligation ILECs have under the 1996 Act to provide other carriers, whether CLECs or CMRS carriers, with access to TELRIC-priced interconnection facilities is limited to those facilities used solely for section 251(c)(2) Interconnection, as defined in FCC Rule 51.5. This conclusion is supported by the Commission's *TRO/TRRO Arbitration Decision* in Docket No. 05-0442, where it addressed CLECs' rights to use TELRIC-priced entrance facilities (referred to by the parties for purposes of this ICA as "Interconnection Facilities"), as follows:

> The Commission sees the principal question here as whether entrance facilities, no longer available as a leased UNE, can be simply reclassified as interconnection facilities if used *solely* for the purpose of interconnecting ILEC/CLEC networks for the mutual exchange of traffic….. [T]he Commission agrees with CLECs and Staff that entrance facilities should be available to CLECs if used for the *sole* purpose of interconnection.[16]

The Commission's decision is consistent with the Supreme Court's decision in *Talk America,* which ruled that CLECs are entitled to TELRIC-based pricing only for existing entrance facilities used exclusively for section 251(c)(2) Interconnection, *i.e.*, to "link the incumbent providers' network with the competitor's network for the mutual exchange of traffic," and not for backhaul or other purposes (*e.g.*, 911, equal access). That decision

[16] *TRO/TRRO Arbitration Decision* (Nov. 2, 2005) at 43-44. (Emphasis added).

expressly states that "entrance facilities leased under § 251(c)(2) can be used *only* for interconnection."[17]

Q. SPRINT'S DPL POSITION STATEMENT FOR THIS ISSUE ASSERTS THAT AT&T ILLINOIS' INCLUSION OF THE WORD "SOLELY" IN SECTION 3.5.2 WOULD RESTRICT SPRINT FROM SPLITTING A DS3 INTERCONNECTION FACILITY BETWEEN INTERCONNECTION AND BACKHAUL SERVICES. DOES SPRINT'S ASSERTION SUPPORT ITS POSITION ON THIS ISSUE?

A. No. Sprint is correct that AT&T Illinois' language is consistent with a conclusion that Sprint is not entitled to use a DS3 Interconnection Facility, obtained from the ICA at a TELRIC-based price, for both Interconnection and non-Interconnection services, including backhaul. However, as I stated above for Issue 49, Sprint itself has agreed to language in section 3.5.3 that would preclude using an Interconnection Facility for anything other than Interconnection. This is true whether or not the word "solely" is included in section 3.5.2. AT&T Illinois' language in section 3.5.2 is important because it makes it abundantly clear that an Interconnection Facility may not be split between Interconnection and non-Interconnection services. It is consistent with other ICA provisions and should be adopted. Note, too, that Sprint would not have to *physically* split the DS3 facility in the situation we are talking about; Sprint could carry both Interconnection traffic and backhaul traffic on the same facility, though it could not lease that facility at TELRIC-based rates if it did so.

Q. WHAT IS THE SUBJECT OF ISSUE 20(b)?

A. The primary section in dispute is Attachment 2, section 3.5.3, which identifies specific purposes for which Interconnection Facilities may not be used. Sprint opposes AT&T

[17] 131 S.Ct. at 2264 (emphasis added).

Illinois' proposal to expressly state in section 3.5.3 that Interconnection Facilities may not be used to carry 911 and Equal Access Trunk Groups.

Q. WHY IS IT APPROPRIATE TO EXCLUDE 911 TRUNKS FROM INTERCONNECTION FACILITIES?

A. Sprint uses trunks carrying 911 traffic for the sole purpose of making a service (911) available to its own customers; these 911 trunks are not used to carry traffic to or from AT&T Illinois' end users. Accordingly, facilities that carry 911 trunks are not used for Interconnection as that term has been defined by the FCC and adopted by the U.S. Supreme Court as it relates to the obligation to make TELRIC-priced Interconnection Facilities available, *i.e.*, to "link the incumbent providers' network with the competitor's network for the mutual exchange of traffic."

Q. SPRINT OBJECTS TO AT&T ILLINOIS' LANGUAGE IN SECTION 3.5.3 STATING THAT SPRINT MAY NOT USE INTERCONNECTION FACILITIES FOR 911 TRUNKS. IS SPRINT'S OBJECTION CONSISTENT WITH OTHER ICA LANGUAGE TO WHICH IT HAS AGREED?

A. No. First, Sprint agreed in Attachment 2, section 3.4 that it is solely responsible, including financially, for the facilities that carry 911 trunks (even if Sprint were to prevail on its position that the parties should share the cost of Interconnection Facilities). This reflects the fact that 911 facilities are not connected through the POI (which is the demarcation point between the parties' networks) the way Interconnection Facilities are. Rather, 911 facilities are connected all the way from Sprint's network to the selective router, and Sprint is 100% financially responsible for providing those facilities. Second, Sprint agreed to the following language in Attachment 5 (911/E911), section 8.1: "Sprint shall compensate AT&T ILILNOIS for the elements described in the Pricing Schedule at

the rates set forth in the Pricing Sheet on a going forward basis." And third, Sprint agreed in the Pricing Attachment that for 911/E911, "Facility rates can be found in the State Special Access Tariff." Since Sprint has agreed that it is solely responsible for the 911 facilities, and that to the extent it leases those facilities from AT&T Illinois it does so pursuant to the special access tariff, Sprint is precluded from using the Interconnection Facilities for 911 trunks.

Q. WHY IS IT ALSO APPROPRIATE TO EXCLUDE EQUAL ACCESS TRUNKS FROM INTERCONNECTION FACILITIES (SECTIONS 3.4 AND 3.5.3)?

A. Like 911 trunks, Equal Access trunks are not used for the "mutual exchange of traffic" between the end users of Sprint and AT&T Illinois. Instead, they connect Sprint with IXCs for traffic between Sprint's end users and the IXCs' customers. Traffic that AT&T Illinois carries on Sprint's behalf to/from IXCs is not mutually exchanged between the parties' end users. Therefore, Sprint is not entitled to TELRIC-priced Interconnection Facilities for Equal Access trunks.

Q. DOES SPRINT AGREE THAT EQUAL ACCESS TRUNKS DO NOT CARRY TRAFFIC MUTALLY EXCHANGED BETWEEN THE PARTIES' END USERS?

A. Yes. Sprint has agreed in GT&C, section 2.47 that an Equal Access Trunk Group is used solely to deliver traffic "through an AT&T access tandem to or from an IXC, using Feature Group D protocols."[18]

Q. HAS THE COMMISSION PREVIOUSLY FOUND THAT THE REQUESTING CARRIER (IN THIS CASE SPRINT) IS SOLELY RESPONSIBLE FOR THE FACILITIES THAT CARRY 911 AND EQUAL ACCESS TRUNKS?

[18] Feature Group D is the equal access protocol used for connecting IXCs with local carriers, providing for carrier identification and enabling access usage recordings.

A. Yes. In an arbitration decision involving MCI and SBC Illinois (n/k/a AT&T Illinois), the Commission concluded that MCI was solely responsible for the facilities that carry 911 and Meet Point Trunks:[19]

> MCI is responsible for providing the facilities that MCI uses to provide telecommunications services to its end users. … None of these facilities [including 911, OS/DA, and Meet Point] are used to connect calls between an MCI end user and an SBC end user. Rather, MCI uses them to provide services to its own customers. SBC's proposed language for Section 2.5 makes MCI responsible for the transport facilities necessary to do so. It is therefore adopted.[20]

The Commission declined to include Mass Calling trunks with 911, OS/DA, and Meet Point trunks as MCI's sole responsibility, because the Commission found that Mass Calling trunks, unlike 911, OS/DA, and Meet Point Trunks, *did* connect MCI's end users and AT&T Illinois' end users.[21] In this way, the Commission made clear that the facilities that carry 911 and Equal Access trunks, which do not connect Sprint's end users with AT&T Illinois' end users, are Sprint's sole responsibility.

Q. ARE EQUAL ACCESS FACILITIES CONNECTED THROUGH THE POI?

A. No. The POI serves as the demarcation between the parties' networks for the mutual exchange of traffic, and there is no "mutual exchange of traffic" for Equal Access trunks (since Sprint is exchanging traffic with the IXCs). Since the Interconnection Facilities

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[19] "Meet Point Trunks" in the MCI ICA are the same as "Equal Access Trunks" in Sprint's ICA. In both cases, the trunks connect MCI/Sprint with IXCs via AT&T Illinois' access tandem.

[20] *MCI Metro Access Transmission Communications, Inc., et al. Petition for Arbitration of Interconnection Rates, Terms and Conditions, and Related Arrangements with Illinois Bell Telephone Company Pursuant to Section 252(b) of the Telecommunications Act of 1996,* Docket No. 04-0469, at 84 (Nov. 30, 2004) ("MCI Arbitration Decision").

[21] "We decline to adopt SBC's inclusion of so-called mass calling facilities in Section 2.5. In the case of radio contests and similar mass calling events, the increase in call volume is not caused exclusively by MCI's end user customers. In fact, *it is likely that many callers are SBC subscribers. This fact separates the mass calling trunks from the facilities mentioned above. In this case, the facilities are used to connect calls between an MCI end user and an SBC end user.* It seems reasonable to adopt MCI's position that the parties have joint obligations in such circumstances. We therefore reject SBC's proposed language for mass calling trunks." (Emphasis added).

are used only for the mutual exchange of traffic between the parties' end users, Equal Access trunks may not ride the TELRIC-priced Interconnection Facilities.

Q. HOW SHOULD THE COMMISSION RULE ON ISSUES 20(a) AND 20(b)?

A. The Commission should adopt AT&T Illinois' language in Attachment 2, sections 3.4, 3.5.2, and 3.5.3 providing that Interconnection Facilities may be used solely for section 251(c)(2) Interconnection, which does not include 911 or Equal Access traffic.

ISSUE 21: Should the ICA permit AT&T to obtain an independent audit of Sprint's use of Interconnection Facilities?

(Attachment 2, Sections 3.5.5, 3.5.5.1 through 3.5.5.4)

Q. SHOULD THE ICA INCLUDE PROVISIONS FOR AT&T ILLINOIS TO OBTAIN AN INDEPENDENT AUDIT OF SPRINT'S USE OF INTERCONNECTION FACILITIES?

A. Yes, and AT&T Illinois has proposed such provisions in Attachment 2, sections 3.5.5 through 3.5.5.4. AT&T Illinois should be entitled to request an independent audit of Sprint's use of Interconnection Facilities provided to Sprint at TELRIC-based rates to ensure that those facilities are being used solely for section 251(c)(2) Interconnection and not for any other purpose, including the purposes listed in section 3.5.3 (Issue 20(b)). Contrary to the assertion made by Sprint in its DPL Position statement for this issue, Sprint's language in section 3.5.5.7 is inadequate because it merely provides that AT&T Illinois may notify Sprint of non-compliance and invoke the ICA's Dispute Resolution provisions. Contrary to Sprint's apparent assumption, AT&T Illinois may not always be able to tell from its own records that Sprint is not compliant, though AT&T Illinois may have some ability to ascertain Sprint's use of Interconnection Facilities. If AT&T Illinois has reason to suspect that Sprint is not in compliance but does not have the records to

support a finding of non-compliance, it is necessary, and entirely reasonable, to allow AT&T Illinois to request an independent audit. If AT&T Illinois has records demonstrating Sprint's non-compliance sufficient to enable it to pursue corrective action, the audit provisions will not come into play – and therefore their inclusion in the ICA would do Sprint no harm.

Q. DOES AT&T ILLINOIS EXPECT THAT SPRINT WILL INTENTIONALLY USE THE INTERCONNECTION FACILITIES FOR PURPOSES THAT ARE NOT AUTHORIZED BY THE ICA?

A. AT&T Illinois' proposed audit provision is not based on any such expectation. It is certainly possible, however, that Sprint could do so unintentionally, or that a less scrupulous carrier that adopts Sprint's ICA might do so. In addition, while AT&T Illinois does not anticipate a significant need to invoke these audit provisions, AT&T Illinois should not be hamstrung in ensuring compliance regarding Sprint's use of Interconnection Facilities by the absence of suitable audit language. To avoid an undue burden on Sprint, AT&T Illinois' proposal allows such an audit no more frequently than once a year.

Q. DOES AT&T ILLINOIS HAVE COMPARABLE AUDIT PROVISIONS IN OTHER ICAS?

A. Yes. For instance, the ICA that AT&T Illinois currently has with Sprint's CLEC affiliate, Sprint Communications, LLP, contains specific audit provisions regarding the eligibility criteria for its use of certain unbundled network elements ("UNEs") such as Enhanced Extended Links ("EELs"), which are loop-transport combinations. Those provisions, which are contained in section 2.9.7 of the "Triennial Review Order Declassification and TRO Remand Order Transitional Amendment" to the Sprint

Communications, LLP/AT&T Illinois ICA, approved by the Commission on April 19, 2006 in Docket No. 06-0077, are shown in Schedule PHP-1. The CLEC audit provisions are more comprehensive than what AT&T Illinois proposes for Sprint's use of Interconnection Facilities, which is appropriate due to the greater complexity of UNEs as compared to Interconnection Facilities. That difference in complexity, however, does not negate the need for audit provisions in this ICA regarding Sprint's use of Interconnection Facilities.

ISSUE 22: If audit provisions are included in the ICA and an audit demonstrates Sprint is not compliant, how should Sprint's non-compliance be addressed?

(Attachment 2, Sections 3.5.5.5-3.5.5.8)

Q. IF AN AUDIT DEMONSTRATES SPRINT IS NOT COMPLIANT WITH ITS USE OF INTERCONNECTION FACILITIES, HOW SHOULD SPRINT'S NON-COMPLIANCE BE ADDRESSED?

A. If an independent auditor finds Sprint out of compliance regarding use of Interconnection Facilities, Sprint should be obligated to (1) remedy the non-compliance (section 3.5.5.5.1); (2) make AT&T Illinois whole through a billing adjustment (section 3.5.5.5.2) or by placing disputed amounts in escrow (section 3.5.5.8); and (3) reimburse AT&T Illinois for the cost of the audit if 10% or more of Sprint's facilities are out of compliance (section 3.5.5.5.3). If Sprint does not issue the orders necessary to remedy the non-compliance, AT&T Illinois should be allowed to initiate the required orders (section 3.5.5.6). Sprint should not be permitted to sustain non-compliance by failing to take the necessary remedial action. Nor should Sprint benefit financially from its non-compliance.

Q. WHAT RECOURSE WOULD SPRINT HAVE IF IT DISAGREED WITH THE AUDITOR'S REPORT?

A. AT&T Illinois' proposed language in section 3.5.5.7 provides that Sprint could notify AT&T Illinois of its disagreement with the auditor's report regarding Sprint's use of Interconnection Facilities. The parties would then engage in two weeks of negotiations to resolve the dispute. If the discussions failed, Sprint could file a complaint with the Commission.

Q. HAS SPRINT PROVIDED ANY SPECIFIC OBJECTIONS TO AT&T ILLINOIS' PROPOSED AUDIT PROCESS?

A. No. Sprint simply states in its DPL position for this issue (and Issue 21) that AT&T Illinois' proposed language is "neither appropriate nor necessary." Sprint asserts (with no support) that AT&T Illinois can effectively audit Sprint for itself, and Sprint offers nothing to support its claim that AT&T Illinois' audit language is inappropriate.

Q. WHY DOES AT&T ILLINOIS OBJECT TO USING THE DISPUTE RESOLUTION PROVISIONS OF THE GT&Cs, AS SPRINT PROPOSES?

A. The standard Dispute Resolutions provisions of the ICA require at least a 60-day period of informal dispute resolution discussions before a party can invoke formal dispute resolution and engage the assistance of the Commission (GT&C, section 12.6.1). This is too long a period for dispute resolution when an independent auditor has already concluded that Sprint has not complied with the ICA's terms limiting Sprint's use of the Interconnection Facilities. It is important to keep in mind that these are facilities priced at TELRIC-based rates, which the Supreme Court has described as being near

confiscatory.[22] Sprint would thus have an incentive to "drag its feet" when it comes to resolving any dispute regarding its use of Interconnection Facilities. Sprint should not be permitted to prolong its non-compliance by simply claiming it disagrees with the auditor's report. AT&T Illinois should be entitled to the swiftest resolution possible, and a two-week period of direct discussions with Sprint should be sufficient for the parties to know whether they can reach agreement without a formal complaint to the Commission.

ISSUE 24(b): Under what circumstances may Sprint use Combined Trunk Groups?

(Attachment 2, Sections 4.2.3, 4.2.4, 4.2.4.1)[23]

Q. WHAT IS THE SPECIFIC DISPUTE IN ISSUE 24(b)?

A. There are several items of disputed language. I will begin with the dispute over the type of traffic that can be carried by a Type 2A Combined Trunk Group.[24] The parties' competing language in Attachment 2, section 4.2.3 is:

AT&T: "Combined Trunk Groups carry InterMTA Traffic and IntraMTA Traffic.

Sprint: "Combined Trunk Groups carry IXC Exchange Access traffic and other Authorized Services Traffic."

Q. WHY IS AT&T ILLINOIS' LANGUAGE MORE ACCURATE?

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[22] *Verizon Comms. Inc. v. FCC*, 535 U.S. 467, 489 (2002).

[23] Issue 24(a), which involved a dispute over the definition of "Equal Access Trunk Groups" in GT&C, section 2.47, was resolved after AT&T Illinois' Response to the Arbitration Petition was filed. The agreed definition is as follows: "Equal Access Trunk Group means a trunk used solely to deliver traffic through an AT&T access tandem to or from an IXC, using Feature Group D protocols."

[24] Type 2A Trunk Groups connect a carrier to AT&T Illinois' access tandems. They may or may not be equipped for equal access (which is required for IXC traffic). When the ICA refers to Type 2A Trunks (*e.g.*, Attachment 2, section 4.2.2, these trunks are not equipped for equal access. Type 2A Combined Trunk Groups and Type 2A Equal Access Trunk Groups are both equipped for equal access.

A. Type 2A Combined Trunk Groups permit a CMRS provider to efficiently combine on the same trunk group both IntraMTA Traffic between the parties and InterMTA Traffic destined to or received from IXCs. As AT&T Illinois proposes in GT&C, section 2.65, IntraMTA Traffic is defined to be between end users of AT&T Illinois and Sprint within the same MTA. (Issue 6). AT&T Illinois proposes in GT&C, section 2.64 that InterMTA Traffic be defined as traffic to or from Sprint's network that is between points in different MTAs. (Issue 7). (Note that there is no "end user" requirement in the definition of InterMTA Traffic – meaning that it includes IXC traffic.) Sprint can combine these two types of traffic on the same trunk group.

Q. WHAT IS THE PRACTICAL EFFECT OF AT&T ILLINOIS' LANGUAGE?

A. Since InterMTA Traffic to/from IXCs is an access service (and is not traffic exchanged with AT&T Illinois' end users), the facilities over which the Combined Trunk Group is carried are access facilities subject to AT&T Illinois' tariffed access charges (to the extent Sprint leases the facilities from AT&T Illinois); these facilities are not eligible for TELRIC-based pricing pursuant to the ICA. Accordingly, Sprint may not use Type 2A Combined Trunk Groups when the underlying facilities were obtained from the ICA at TELRIC-based rates. In other words, if Sprint wants to enjoy TELRIC-based pricing for the facilities it leases from AT&T Illinois, it must establish facilities used only for its IntraMTA Traffic (TELRIC-based rates) and separate facilities for its InterMTA Traffic to/from IXCs (access rates). In this situation, Sprint would not use Type 2A Combined Trunk Groups but would instead establish a separate Type 2A Equal Access Trunk Group. This is addressed further in Issues 20(a) and 30(a).

Q. WHAT IS WRONG WITH SPRINT'S PROPOSAL?

A. Sprint's proposed language would permit it to mix together on a single trunk group "IXC Exchange Access" traffic and "Authorized Services" traffic. The parties have agreed that "Authorized Services" traffic is broadly defined to include any traffic that can lawfully be carried by Sprint and that includes E911 and other N11 traffic. This ancillary traffic must necessarily be treated differently than IntraMTA and InterMTA Traffic. In fact, the parties recognize this elsewhere in the ICA, making Sprint's language here inconsistent. For example, Attachment 2, section 4.2.6 provides that 911 traffic is routed to Type 2C Trunks, which are different than Type 2A Combined Trunks. With respect to "IXC Exchange Access" traffic, IXC traffic *is* Authorized Services traffic, so Sprint's language stating that combined trunks carry both IXC traffic and Authorized Services traffic makes no sense. In short, Sprint's proposed language is inaccurate and over-reaching.

Q. IS THERE MORE DISPUTED LANGUAGE REFLECTED IN ATTACHMENT 2, SECTION 4.2.3?

A. Yes. AT&T Illinois proposes the following language to which Sprint objects: "Type 2A Combined Trunk Groups may only be used when Sprint obtains the underlying facilities pursuant to AT&T ILLINOIS' access tariff or from another carrier or self provisions those facilities." This language explicitly makes the point I discussed above for Issues 19 and 20, *i.e.*, that Sprint cannot obtain Interconnection Facilities at TELRIC-based rates unless those facilities are used exclusively for Interconnection, and the IXC traffic carried on a Combined Trunk Group is not Interconnection traffic. Combined Trunks are used to exchange IXC traffic that is subject to the access charge regime, and therefore these facilities do not qualify for TELRIC-based pricing under *Talk America*.

Q. WHAT IS THE OTHER DISPUTED LANGUAGE FOR ISSUE 24(b)?

A. Sprint proposes language in Attachment 2, sections 4.2.3 and 4.2.4.1 that would obligate it to establish an Equal Access Trunk Group only when it routes traffic to (and not from) an IXC via AT&T Illinois' tandem switch. This language is inappropriate because it only deals with traffic in one direction. Equal Access Trunks are required when Sprint either *originates traffic to* an IXC via AT&T Illinois' tandem switch or *receives traffic from* an IXC via AT&T Illinois' tandem. InterMTA Traffic that AT&T Illinois receives from an IXC and routes to Sprint for completion to a Sprint end user is just as much an access service as the InterMTA Traffic that Sprint originates.

Q. UNDER WHAT CIRCUMSTANCES ARE IXC CALLS ROUTED TO SPRINT VIA AT&T ILLINOIS' TANDEM?

A. Carriers route their traffic in accordance with the designations populated in the Local Exchange Routing Guide ("LERG"). Thus, IXCs route their traffic destined for Sprint via AT&T Illinois' tandem based on information Sprint populates in the LERG directing the IXCs to do so. AT&T Illinois has no choice but to handle this access traffic and route it to Sprint for completion. This traffic should be routed over access facilities and not the TELRIC-priced Interconnection Facilities used for IntraMTA Traffic exchanged between the parties' end users.

Q. DOES AT&T ILLINOIS REQUIRE SPRINT TO USE SEPARATE TYPE 2A EQUAL ACCESS TRUNKS?

A. No. Since Sprint filed its Petition, AT&T Illinois has revised its language to remove the requirement that Sprint establish separate Type 2A Equal Access Trunks for its IXC traffic in certain circumstances, permitting Sprint to elect to use Type 2A Combined

Trunks instead. This is reflected in the removal of certain AT&T Illinois language in Attachment 2, sections 4.2.3 and 4.2.4.1. However, as I stated above, Combined Trunks may not ride the TELRIC-priced Interconnection Facilities. Thus, if Sprint wants to avail itself of TELRIC-priced facilities for its Interconnection trunks, it must use separate Type 2A Equal Access Trunks that ride separate access facilities for its traffic to and from IXCs via AT&T Illinois' tandem.

Q. HOW SHOULD THE COMMISSION RESOLVE ISSUE 24(b)?

A. The Commission should adopt AT&T Illinois' language in Attachment 2, sections 4.2.3, 4.2.4 and 4.2.4.1 and reject Sprint's language. InterMTA Traffic to/from IXCs is an access service; therefore, to the extent Sprint leases AT&T Illinois' facilities, such traffic must be carried on access facilities at access rates. Sprint should not be allowed to use TELRIC-priced Interconnection Facilities for access services.

ISSUE 44: Should the ICA provide that Sprint is automatically entitled, as of the Effective Date of the ICA, to TELRIC-based pricing on facilities ordered from AT&T's access tariff?

(Attachment 2, Sections 3.8, 3.8.1)

Q. PLEASE SUMMARIZE THE CONTRACT LANGUAGE IN DISPUTE FOR THIS ISSUE.

A. The language in dispute is Sprint's proposed sections 3.8 and 3.8.1 of Attachment 2. That language would require AT&T Illinois to begin applying TELRIC-based rates and charges, effective immediately upon the effective date of the ICA, to all of the facilities that Sprint is currently using to exchange traffic with AT&T Illinois.

Q. IS SPRINT ENTITLED TO TELRIC-PRICED FACILITIES IMMEDIATELY AS OF THE ICA'S EFFECTIVE DATE?

A. No. As I explained above in connection with Issue 49, Sprint and AT&T Illinois currently have an interconnection arrangement that does not provide for TELRIC-based pricing, and that arrangement will not have changed as of the ICA's effective date. Sprint is entitled to TELRIC-based pricing only on facilities that are (1) used exclusively for Interconnection as the FCC defined that term in 47 C.F.R. § 51.5; and (2) ordered pursuant to the ICA. Most importantly, as of the effective date of the ICA, to the best of my knowledge none of the facilities Sprint leases from AT&T Illinois will be used exclusively for Interconnection. Rather, those facilities will also be used for other purposes, such as backhauling traffic, and, therefore, they do not qualify for TELRIC-based pricing as of the effective date of the ICA. Furthermore, those facilities all were ordered pursuant to AT&T Illinois' access tariff and not the ICA. Sprint's language would improperly permit Sprint to violate the terms of the tariff from which it ordered the facilities.

Q. DOES AT&T ILLINOIS AGREE TO PROVIDE INTERCONNECTION FACILITIES TO SPRINT AT TELRIC-BASED PRICES?

A. Yes. However, the facilities Sprint leases from AT&T Illinois are eligible for TELRIC-based pricing only when they are used exclusively for Interconnection, *i.e.*, for the mutual exchange of traffic between the parties' end users. As I discussed with respect to Issue 49, to qualify for TELRIC-based pricing, Sprint will first be required to lease Interconnection Facilities that are separate from the transport facilities used for backhaul and other forms of traffic that are not eligible for being sent over TELRIC-priced

Interconnection Facilities. Sprint's language far exceeds these limitations on the application of TELRIC-based rates to leased facilities and should be rejected.

ISSUE 45(a): Should the Interconnection Facilities prices be applied on a "DS1/DS1 equivalents basis"?

(Attachment 2, Section 3.8.2)

ISSUE 45(b): Should the ICA reference specific Commission orders for Interconnection Facilities pricing?

(Attachment 2, Section 3.8.2.1)

ISSUE 45(c): Should Sprint be entitled to different rates for Interconnection Facilities than those set forth in the Price Sheet without amending the ICA?

(Attachment 2, Section 3.8.2.2)

Q. SPRINT PROPOSES IN ATTACHMENT 2, SECTION 3.8.2 THAT TELRIC-BASED RATES WILL APPLY ON A "DS1/DS1 EQUIVALENTS BASIS." DOES THAT MAKE SENSE?

A. No. It is unclear what Sprint's term "DS1/DS1 equivalents basis" means. Moreover, the Price Sheet is clear with respect to the separate application of DS1 and DS3 rate elements.

Q. IS IT NECESSARY FOR THE ICA TO REFERENCE SPECIFIC COMMISSION DECISIONS WHEN REFERRING TO THE INTERCONNECTION FACILITIES PRICES IN THE ICA?

A. No. There is no reason to identify prior Commission decisions in the ICA, as Sprint proposes in section 3.8.2.1. The TELRIC-based Interconnection Facilities prices in the Price Sheet will apply, regardless of what proceeding(s) established those rates.

Q. SHOULD SPRINT BE ENTITLED TO RATES DIFFERENT THAN THOSE SET FORTH IN THE PRICING SHEET WITHOUT EXECUTING AN ICA AMENDMENT?

A. No. Neither Sprint nor AT&T Illinois should be automatically entitled to different rates without amending the ICA. If the Commission were to establish different TELRIC-based prices for Interconnection Facilities in a generic cost proceeding, either party could request an ICA amendment to include those rates in accordance with the Intervening Law provisions of GT&C, section 21 of the ICA.

IV. FINANCIAL RESPONSIBILITY FOR INTERCONNECTION FACILITIES/ SPRINT SHARING PROPOSAL (ISSUES 15, 46, 47)

ISSUE 15: Should the POI serve as both the physical and financial demarcation point between the parties' networks?

(GT&C, Section 2.88)

Q. WHAT IS THE PARTIES' DISPUTE REGARDING THE DEFINITION OF THE TERM "POINT OF INTERCONNECTION"?

A. In the definition set forth in GT&C, section 2.88, the parties agree that the POI is a point on AT&T Illinois' network that serves as the physical demarcation between the parties' networks, but Sprint does not accept that it also serves as the financial demarcation point. Thus, Sprint does not accept financial responsibility for the facilities on its side of the POI.

Q. HAS THE COMMISSION PREVIOUSLY ADDRESSED THE ISSUE OF FINANCIAL RESPONSIBILITY ON THE CARRIER'S SIDE OF THE POI ON AT&T ILLINOIS' NETWORK?

A. Yes. This Commission has ruled at least four times that each party is responsible for the facilities on its side of the POI.

The Commission agreed with Staff that "Sprint [Communications] has not provided a compelling or persuasive reason for the Commission to depart from the accepted practice of requiring each interconnecting party to be physically and financially responsible for facilities on its side of the POI." *Sprint Communications, L.P. d/b/a Sprint Communications Company, L.P. Petition for Consolidated Arbitration with Certain Illinois Incumbent Local Exchange Carriers pursuant to Section 252 of the Telecommunications Act of 1996,* Docket 05-0402, at. 18-19 (Nov. 8. 2005) ("Sprint Communications Arbitration Decision");

"Each party is responsible for the facilities on its side of the POI(s)." MCI Arbitration Decision at 79;

"Each party here should assume financial responsibility for transport on its side of any POI established for the exchange of telecommunications traffic." *In re Global Naps Illinois, Inc., Order on Rehearing,* Docket No. 02-0253, at 11 (Nov. 2, 2002); and

"Ameritech and Global should be responsible both financially and physically on its side of the single POI." *Global Naps, Inc. Arbitration Order,* Docket No. 01-0786, at 8 (May 14, 2002).

Q. HAS SPRINT PROVIDED A PERSUASIVE REASON FOR THE COMMISSION TO REVERSE ITS PRIOR DECISIONS ON THIS ISSUE?

A. No. Sprint requested the TELRIC-based pricing associated with section 251(c)(2) Interconnection. When Sprint interconnects with AT&T Illinois pursuant to section 251(c)(2) – the same as CLECs do – it must be subject to the same regulations and Commission precedents as the CLECs. This necessarily means that the POI(s) serves as the physical *and financial* demarcation point between the parties' networks for the mutual exchange of traffic between their end users.

ISSUE 46: Should the parties share the cost of TELRIC-priced facilities on Sprint's side of the POI?

(Attachment 2, Sections 3.9, 3.9.1, 3.9.2)

ISSUE 47: Should Attachment 2 contain billing terms specific to Interconnection Facilities?

(Attachment 2, Sections 3.9.3, 3.9.3.1; Pricing, Sections 1.3.2, 1.3.3, 1.4.2)

Q. PLEASE SUMMARIZE THE DISPUTE THAT IS THE SUBJECT OF ISSUES 46 AND 47.

A. Issue 46 involves Sprint's proposed language for Attachment 2, Sections 3.9 through 3.9.2. That language provides that all of the costs, both recurring and non-recurring, of Interconnection Facilities carrying two-way trunks shall be "equally shared" by the parties. Issue 47 concerns Sprint's proposed language for Attachment 2, Sections 3.9.3 and 3.9.3.1 and Pricing Schedule sections 1.3.2, 1.3.3 and 1.4.2, which set forth billing terms specific to Sprint's cost "sharing" proposal in sections 3.9 through 3.9.2. AT&T Illinois opposes the contract language proposed by Sprint for both Issues 46 and 47.

Q. WHY SHOULD THE COMMISSION REJECT SPRINT'S LANGUAGE PROVIDING THAT THE PARTIES WILL SHARE EQUALLY IN THE COST OF INTERCONNECTION FACILITIES CARRYING TWO-WAY TRUNKS?

A. Interconnection Facilities are transmission facilities that connect Sprint's network to AT&T Illinois' network at the POI for the mutual exchange of traffic. (See GT&C, section 2.60). By definition, therefore, Interconnection Facilities are facilities located entirely on Sprint's side of the POI. As this Commission has consistently recognized, each party to a section 251(c)(2) Interconnection arrangement is financially responsible for the facilities on its side of the POI. (See Issue 15). Consistent with this principle, the Commission has previously rejected proposals such as Sprint's to require ILECs to

"share" in the cost of transport facilities on the other party's side of the POI.[25] The Interconnection Facilities Sprint may lease from AT&T Illinois are on Sprint's side of the POI, and they are therefore 100% Sprint's responsibility. This is true whether the parties' traffic is routed over one-way or two-way trunks.

Sprint's proposal is also inconsistent with its insistence on exercising its right under section 251(c)(2) of the 1996 Act to obtain existing Interconnection Facilities at TELRIC-based prices, which are below-market prices that, as I stated above for Issue 22, are near confiscatory. There is no basis for requiring AT&T Illinois to further "share" in the costs of those facilities by allowing Sprint to pay *less* than the TELRIC-based price for such facilities, yet that is exactly what Sprint proposes here. Specifically, the effect of Sprint's sharing proposal would be to allow AT&T Illinois to charge only one-half of the TELRIC-based price.

Furthermore, while Sprint and AT&T Illinois currently share the cost of facilities to interconnect at multiple AT&T Illinois tandems and end offices, pursuant to section 251(c)(2) Sprint will be entitled to interconnect at a single POI in a LATA,[26] with AT&T Illinois bearing 100% of the transport cost to connect from that POI to each tandem and end office in the LATA. Thus, Sprint proposes that AT&T Illinois share equally the cost

[25] For example, see MCI Arbitration Decision at 104; Sprint Communications Arbitration Decision at 13-19 (Nov. 8. 2005).

[26] The parties disagree regarding the circumstances under which Sprint would be obligated to maintain more than one POI. (See Issues 16 and 17, addressed by Mr. Albright).

on Sprint's side of the POI, but Sprint would not share any costs on AT&T Illinois' side of the POI.

Q. BUT HASN'T AT&T ILLINOIS PREVIOUSLY AGREED TO A "SHARING" ARRANGEMENT WITH SPRINT?

A. Yes. However, as I discussed above in connection with Issue 49, this sharing occurs in the context of the parties' *existing* network interconnection arrangement, which does not comport with section 251(c)(2) in that Sprint delivers traffic to AT&T Illinois at a POI on AT&T Illinois' network, and AT&T Illinois delivers traffic to Sprint at a POI on Sprint's network. Under that "dual POI" arrangement, Sprint and AT&T Illinois previously agreed to share the facilities that connect each network to the POI on the other party's network, and to apportion the costs of those facilities on the basis of a SFF of 24%. Notably, Sprint does not (nor does it have the right to) obtain such facilities at TELRIC-based prices. Rather, AT&T Illinois bills Sprint the tariffed access price for this facility, discounted by 24%. To the extent the parties are currently sharing the cost of access-priced facilities prior to the conversion from the current CMRS non-section 251(c)(2) arrangement to a section 251(c)(2) Interconnection arrangement pursuant to the successor ICA being arbitrated, AT&T Illinois will continue to bill Sprint at the tariffed rate less AT&T Illinois' proportionate share as identified in the Price Sheet attached to this ICA as the Shared Facility Factor (*i.e.*, 24%).

Q. IN ITS DPL POSITION STATEMENT FOR THIS ISSUE, SPRINT ASSERTS THAT ITS SHARING PROPOSAL IS "CONSISTENT WITH 47 C.F.R. §51.709(b), WHICH WOULD REQUIRE AT&T ILLINOIS AS THE PROVIDER OF A FACILITY TO CHARGE SPRINT ONLY FOR THE PORTION OF THE FACILITY USED BY SPRINT TO ORIGINATE SPRINT TRAFFIC." DOES

AT&T ILLINOIS AGREE THAT SPRINT'S PROPOSAL IS SUPPORTED BY FCC RULE 51.709(b)?

A. No. AT&T Illinois will address the proper interpretation of Rule 51.709(b) in its briefs. Here, I will simply point out that the Commission has already rejected reliance on that rule as support for a sharing proposal similar to the one that Sprint is proposing in this case. In Docket No. 05-0402, an arbitration proceeding involving Sprint's wireline CLEC affiliate ("Sprint Communications") and a group of rural ILECs ("RLECs"), the Commission Staff opposed Sprint Communications' proposal that the RLECs be required to share in the cost of transport facilities connecting Sprint Communications' network to the RLECs' networks. In doing so, Staff pointed out that Rule 51.709(b), a rule relied on by Sprint Communications, is contained in Subpart H (entitled " Reciprocal Compensation for Transport and Termination of Telecommunications Traffic") of 47 C.F.R. Part 51. As such, Staff noted that Rule 51.709(b) governs reciprocal compensation and "should not apply to rules for cost recovery of interconnection facilities."[27] Staff further argued that "[t]he proper method for Sprint to recover costs incurred to transport and terminate RLEC originated local traffic (on Sprint's side of the POI) is reciprocal compensation, not some type of cost-sharing. This is the method required by the Federal Act, FCC rules and regulations, and Commission regulations and decisions."[28] The Commission agreed with Staff's position and rejected Sprint's sharing proposal.[29]

[27] Sprint Communications Arbitration Decision at 18.
[28] *Id*.
[29] *Id*. at 19.

Q. SHOULD ATTACHMENT 2 AND THE PRICING SCHEDULE CONTAIN BILLING TERMS SPECIFIC TO INTERCONNECTION FACILITIES?

A. There is no need for either Attachment 2 or the Pricing Schedule to contain special billing terms for Interconnection Facilities. Billing for Interconnection Facilities should be consistent with the billing terms and conditions set forth in section 10 of the GT&C. Sprint proposes exceptions to those terms through its language in Attachment 2, sections 3.8 and 3.9, to which AT&T Illinois objects. For example, in section 3.9.3.1, Sprint proposes language that would require AT&T Illinois to reduce its bill to Sprint for Interconnection Facilities by 50%. For the reasons that I have previously discussed, this "sharing" proposal must be rejected.

Q. WHAT IS AT&T ILLINOIS' OBJECTION TO SPRINT'S PROPOSED LANGUAGE IN PRICING SECTION 1.42 RELATED TO ORDERING CHARGES?

A. Sprint's language is unworkable and unreasonable. When Sprint places an order of any kind, Sprint is obligated to pay AT&T Illinois the appropriate charges to process that order – the reason Sprint places an order is irrelevant. Sprint's language, however, provides that when it issues an order that it is obligated by the ICA to issue, but does so at AT&T Illinois' request, Sprint shall only be responsible for half the cost of processing that order rather than paying the full amount. This is inconsistent with language Sprint proposes elsewhere that would relieve Sprint of all costs (including ordering charges) associated with the transition to a section 251(c)(2) Interconnection agreement. See, for example, Attachment 2, section 3.8.3, which is addressed above for Issue 49. Sprint's language would then relieve it of all costs if AT&T Illinois requested that Sprint place an order that Sprint was not obligated by the ICA to place. None of this makes any sense. It

is not clear under what circumstances AT&T Illinois would be "requesting" that Sprint place an order or what would constitute such a "request," though it appears to be related to Sprint's assertion that it is not obligated to issue any orders or pay any charges to transition from the existing CMRS interconnection arrangement to the section 251(c)(2) Interconnection set forth in the ICA. (See Issue 49). Further, Sprint's language would likely lead to perpetual disputes as to whether a particular order was placed at AT&T Illinois' "request" and whether or not the order was placed based on an obligation of the ICA.

Q. HOW SHOULD THE COMMISSION RESOLVE ISSUES 46 AND 47?

A. The Commission should reject Sprint's proposed language. In a section 251(c)(2) Interconnection arrangement, which is what Sprint has requested, each party is financially responsible for the facilities on its side of the POI. Additionally, Sprint is responsible for the applicable charges to process an order it places with AT&T Illinois, regardless of its reason for placing the order.

V. USE OF ICA BY SPRINT TO EXCHANGE THIRD-PARTY WHOLESALE TRAFFIC (ISSUE 2)

ISSUE 2: Can Sprint use the Agreement to exchange its third-party wholesale-customer PSTN traffic when such third party wholesale customer has obtained its own NPA-NXXs?

(GT&C, Section 3.11.4; Attachment 2, Section 3.1, 3.1.1, 3.1.2, 3.1.3)

Q. PLEASE DESCRIBE THE DISPUTE REGARDING THE USE OF NPA-NXX CODES.

A. The parties agree in GT&C, section 3.11.4 that Sprint is entitled to be a wholesale provider to other carriers that use Sprint's NPA-NXX numbering resources (which are

assigned to Sprint's switch(es)) and that such traffic will be treated as Sprint's traffic. Because it will be treated as Sprint's traffic for compensation purposes, and not as transit traffic, no special arrangements are needed. This is the same manner in which the parties treat other CMRS carriers' traffic where the callers have roamed onto Sprint's network. However, Sprint proposes additional language that would allow Sprint to exchange wholesale traffic with NPA-NXX blocks that are *not* associated with Sprint, but rather are assigned to a third party carrier – in other words, to act as a transit provider. Curiously, Sprint states that it does not intend to do this. For this reason alone, Sprint's proposed additional language should be rejected since the ICA should not contain arrangements or terms that neither party actually anticipates using during the term of the ICA. Furthermore, simply "notifying" AT&T Illinois that Sprint has begun routing calls from third party NPA-NXX blocks (which are not served by a Sprint switch and not treated as Sprint's calls) to AT&T Illinois is insufficient. AT&T Illinois does not have systems in place to properly identify and bill terminating compensation for such third party traffic.

Q. WHAT IS THE DIFFERENCE BETWEEN SPRINT DELIVERING TRAFFIC THAT ORIGINATES FROM NPA-NXXS ASSIGNED TO ITS SWITCH AND DELIVERING TRANSIT TRAFFIC FROM ANOTHER CMRS CARRIER?

A. As I stated, traffic from NPA-NXXs assigned to Sprint's switch are treated as though they originate with a Sprint end user, so all of the relevant terms of Attachment 2, including section 6 regarding intercarrier compensation, apply. When another CMRS carrier's customer roams onto Sprint's network in Illinois, Sprint will deliver that call to AT&T Illinois and, again, the call will be treated as though it was originated by Sprint's end user. However, in the case of CMRS transit traffic, the CMRS carrier's customer has

not roamed onto Sprint's network in Illinois and may, in fact, be located anywhere. AT&T Illinois cannot identify this traffic as IntraMTA or InterMTA Traffic in order to know what to bill. It is also not clear that Sprint would (or even could) include such traffic in its own cell site studies used to estimate the volume of InterMTA Traffic routed over non-access trunks. (See Issues 39(a-c) and 40 below).

Q. HAS SPRINT INDICATED AN INTEREST IN TRANSITING OTHER CMRS CARRIERS' TRAFFIC TO AT&T ILLINOIS?

A. No. Sprint's additional language in GT&C, section 3.11.4 indicates that it does not anticipate routing transit CMRS traffic. To my knowledge, Sprint does not have any CMRS affiliates that will not be directly interconnected with AT&T Illinois pursuant to this ICA. It is also my understanding that most, if not all, other CMRS carriers deliver traffic to AT&T Illinois via direct interconnection. Thus, it is unlikely that Sprint would ever transit CMRS traffic to AT&T Illinois, and Sprint's language should be rejected.

Q. HAS SPRINT INDICATED AN INTEREST IN TRANSITING WIRELINE TRAFFIC TO AT&T ILLINOIS?

A. Yes. Although Sprint's additional language in GT&C, section 3.11.4 indicates that it does not anticipate routing transit wireline traffic, it left the door open to route wireline traffic to AT&T Illinois (*e.g.*, from its CLEC affiliate) in the future. The issue of Sprint transporting wireline traffic was raised in Issues 1(b) and 3, which the parties have resolved with the following language in the GT&C:

> 2.12 "Authorized Services" means those services that each Party lawfully provides pursuant to Applicable Law.
>
> 3.11.2.1 This Agreement is solely for the exchange of, and applies only to, Authorized Services traffic that either (a) is delivered by AT&T ILLINOIS to Sprint's wireless network for termination by Sprint to its

End Users; or (b) originates through wireless transmitting and receiving facilities and that Sprint delivers to AT&T ILLINOIS. For purposes of subsection (b) above, CMRS traffic that is originated by a Sprint End User will be deemed to be originated through wireless transmitting and receiving facilities.

3.11.2.1.1 If Sprint informs AT&T ILLINOIS during the term of the Agreement that Sprint wishes to deliver to AT&T ILLINOIS traffic that does not satisfy the limitations in subsection 3.11.2.1(b) above, including non-CMRS VoIP, the Parties will negotiate and implement an amendment to the Agreement regarding such traffic, with said amendment to include appropriate provisions for compensation and billing for such traffic and such additional provisions as are appropriate to accommodate Sprint's delivery of such traffic to AT&T ILLINOIS. If the Parties do not agree on an amendment, Sprint may seek resolution of the matter by invoking Dispute Resolution pursuant to Section 12 of the General Terms and Conditions. AT&T ILLINOIS may contend in any Formal Dispute Resolution proceeding that such amendment should include provisions for separate trunking and/or facilities for landline-originated traffic. Sprint, does not agree with that contention and does not waive its right to oppose that contention, but acknowledges that AT&T ILLINOIS has not waived its right to assert such a contention, either by agreeing to this Section 3.11.2.1.1 or by any other action or inaction.

Sprint's proposed language in GT&C, section 3.11.4, which is inconsistent with this language as it relates to wireline traffic, should be rejected.

Q. WHY IS IT IMPORTANT TO INCLUDE AT&T ILLINOIS' LANGUAGE IN SECTION 3.1.2?

A. AT&T Illinois' language in section 3.1.2 makes clear that Sprint may not aggregate other carriers' traffic for delivery to AT&T Illinois – in other words, to be a transit provider for CMRS and/or CLEC traffic. This language is important for the same reasons I explained above with respect to AT&T Illinois' objection to Sprint's additional language in GT&C, section 3.11.4. In addition, it provides necessary clarity regarding what constitutes Authorized Services traffic to minimize disputes.

Q. WHY IS AT&T ILLINOIS' PROPOSED LANGUAGE IN SECTION 3.1.1 APPROPRIATE FOR THE ICA?

A. AT&T Illinois' language in section 3.1.1 simply provides that the ICA does not authorize Sprint to act as a transit provider for AT&T Illinois' originated traffic. The purpose of this section 251(c)(2) ICA is for the mutual exchange of traffic between the parties' end users, not for indirect interconnection with third parties. Furthermore, the trunks riding TELRIC-priced Interconnection Facilities should only carry land-to-mobile traffic destined for Sprint's end users – not other carriers' customers.

Q. WHAT IS AT&T ILLINOIS' OBJECTION TO SPRINT'S LANGUAGE IN SECTION 3.1.3?

A. Sprint's language in section 3.1.3 would improperly permit it to use the Interconnection Facilities (which are priced at TELRIC-based rates) for any Authorized Services traffic, including traffic for which Sprint is not entitled to TELRIC-priced facilities. This would include, for example, 911 traffic and access traffic. Sprint should not be permitted to use Interconnection Facilities for any and all traffic exchanged between the parties' networks. (See Issues 13(a), 13(b), 20(a), 20(b), and 30(a) and (b)).

VI. DEFINITIONS AND TERMS RELATED TO INTERCARRIER COMPENSATION (ISSUES 5, 6, 7, 8, 30(a) AND (b), 36(a) AND (b), 37, 39(a), (b), (c) AND (d), 40(a) AND (b), AND 41)

ISSUE 5: Should the Agreement contain a definition of Section 251(b)(5) Traffic? If so, what is the appropriate definition?

(GT&C, Section 2.94)

Q. SHOULD THE ICA CONTAIN A DEFINITION OF "SECTION 251(b)(5) TRAFFIC" AS PROPOSED BY SPRINT FOR GT&C, SECTION 2.94?

A. No. It is not necessary to include a definition of the term "Section 251(b)(5) Traffic" in the ICA. Sprint only proposes to use the term "Section 251(b)(5) Traffic" in its definitions of "IntraMTA Traffic" (Issue 6), and "Non-Toll InterMTA Traffic" and "Toll InterMTA Traffic" (Issue 7). As I will explain in my testimony regarding those issues, the term "Section 251(b)(5) Traffic" adds no meaning to those definitions. Thus, the term is not needed in the ICA.

Q. ASSUMING THE COMMISSION DIRECTS THE PARTIES TO INCLUDE A DEFINITION OF SECTION 251(b)(5) TRAFFIC IN THE ICA, IS SPRINT'S DEFINITION ACCURATE IN THE CONTEXT OF THE ICA?

A. No.

Q. PLEASE EXPLAIN.

A. Sprint's definition of Section 251(b)(5) Traffic is as follows:

> ***"Section 251(b)(5) Traffic" means traffic originated by one Party that is exchanged directly or indirectly and terminates on the other Party's network.***

This definition is inaccurate in the context of the ICA because it is too broad. For example, Sprint's definition would expand Section 251(b)(5) Traffic to include traffic associated with ancillary services such as 911, for which intercarrier compensation does not apply. Furthermore, while the FCC has broadened the traffic that is encompassed by section 251(b)(5) of the 1996 Act to include "access" as well as "non access" traffic, it has also set forth a transition plan regarding access traffic traditionally governed by section 251(g). Sprint's definition of Section 251(b)(5) Traffic and its inclusion in other definitions implies that compensation arrangements put in place pursuant to section 251(g) are no longer appropriate, which is not the case. I will discuss further the FCC's

transition from section 251(g) to section 251(b)(5) compensation for access traffic as it relates to specific issues. See Issues 39-41.

ISSUE 6: What is the appropriate definition of "IntraMTA Traffic"?

(GT&C, AT&T Section 2.65; Sprint Section 2.94.1)

Q. WHAT IS AN "MTA"?

A. The parties have agreed to define the term "MTA" to mean "as defined in 47 C.F.R. § 24.202(a)." As defined in that FCC rule, MTA stands for Major Trading Area and represents a geographic area established by the FCC for purposes of wireless licensing. There are 51 MTAs in the United States and its island territories (46 in the continental U.S.). The FCC's 1996 *Local Competition Order*[30] established that the geographic scope of "local" traffic for wireless traffic under section 251(b)(5) of the 1996 Act is an MTA. Thus, under the FCC's reciprocal compensation rules, MTAs are used to define CMRS calls that are subject to reciprocal compensation (as opposed to access charges) in essentially the same way that local exchange areas are used to define landline (*i.e.*, wireline) calls that are subject to reciprocal compensation.

Q. WHAT IS THE FUNDAMENTAL DIFFERENCE BETWEEN THE PARTIES' DEFINITIONS OF "INTRAMTA TRAFFIC"?

A. AT&T Illinois' definition makes clear that IntraMTA Traffic, as that term is used in the ICA, is specific to calls between the parties' end users. Sprint's definition simply refers

[30] *First Report and Order*, FCC 96-325, *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, CC Docket No. 96-98, 11 FCC Rcd. 15499 (rel. Aug. 8, 1996) (subsequent history omitted).

to traffic exchanged between the parties generally. Sprint also proposes to identify IntraMTA Traffic as a subset of Section 251(b)(5) Traffic.

Q. WHY SHOULD THE COMMISSION ADOPT AT&T ILLINOIS' DEFINITION AND REJECT SPRINT'S?

A. AT&T Illinois' definition of IntraMTA Traffic is clearer in the context of the ICA and how the term is used, *i.e.*, for routing and billing of traffic exchanged between the parties' end user customers. In addition, Sprint's reference to Section 251(b)(5) Traffic adds no meaning to this definition.

ISSUE 7: What are the appropriate definitions related to "InterMTA Traffic"?

(GT&C, AT&T Sections 2.64, 2.113; Sprint Sections 2.94.2, 2.94.3, 2.113)

Q. WHAT IS THE PARTIES' DISPUTE REGARDING THE DEFINITIONS OF "INTERMTA TRAFFIC"?

A. AT&T Illinois' definition of InterMTA Traffic as traffic that at the beginning of the call originates in one MTA and terminates in another MTA is simple, direct, and accurate and should be adopted. Sprint's proposal to adopt separate definitions for so-called "Toll" and "Non-Toll" InterMTA Traffic should be rejected.

Q. HOW DOES THE PARTIES' EXISTING ICA DEFINE "INTERMTA TRAFFIC"?

A. Section 1.31 of the parties' existing ICA defines "InterMTA Traffic" to mean:

> traffic to or from Carrier's network that originates in one MTA and terminates in another MTA (as determined by the geographic location of the Cell Site at the beginning of the call to which the mobile End User Customer is connected).

AT&T Illinois' proposed definition in GT&C, section 2.64 is consistent with the current definition and FCC directives; Sprint's proposal to distinguish between types of InterMTA Traffic is not.

Q. WHY SHOULD THE COMMISSION REJECT SPRINT'S PROPOSAL TO DISTINGUISH BETWEEN "TOLL" AND "NON-TOLL" INTERMTA TRAFFIC?

A. Because the ICA should reflect the FCC's rules governing intercarrier compensation, which make no relevant distinction between "toll" and "non-toll" InterMTA Traffic. Sprint's proposed definitions appear intended to support its position that only "Toll" InterMTA Traffic is subject to access charges and that "Non-Toll" InterMTA Traffic, like IntraMTA Traffic, is subject to bill and keep compensation. Sprint's position in this regard is contrary to the FCC's rules. (See my testimony below for Issues 39-41). In addition, Sprint's reference to Section 251(b)(5) Traffic adds no meaning to the definition.

Q. WHY SHOULD THE ICA INCLUDE AT&T ILLINOIS' DEFINITION OF "TERMINATING INTERMTA TRAFFIC"?

A. In its *Connect America Order*, the FCC treated originating and terminating access differently for purposes of intercarrier compensation.[31] The FCC only addressed terminating access and deferred its consideration of originating access for another day. It is therefore necessary for the ICA to separately define mobile-to-land "Terminating InterMTA Traffic" to properly reflect the different compensation treatment. AT&T Illinois also reflects the distinction between originating and terminating access

[31] *Connect America Fund*, FCC 11-161, 2011 WL 5844975 (rel. Nov. 18, 2011) ("*Connect America Order*") at ¶ 739.

compensation in its language for Attachment 2, sections 6.4.1 and 6.4.2, which govern compensation for land-to-mobile originating InterMTA traffic. (See Issues 39 and 41).

ISSUE 8: What is the appropriate definition of "Switched Access Service"?

(GT&C, Section 2.103)

Q. HOW DOES THE PARTIES' EXISTING ICA DEFINE "SWITCHED ACCESS SERVICES"?

A. Section 1.55 of the parties' existing ICA defines "Switched Access Services" to mean:

> an offering of access to **SBC-13STATE**'s network for the purpose of the origination or the termination of traffic from or to End User Customers in a given area pursuant to a Switched Access Services tariff. Switched Access Services include: Feature Group A ("FGA"), Feature Group B ("FGB"), Feature Group D ("FGD"), Toll Free Service and 900 access.

AT&T Illinois' proposed definition in GT&C, section 2.103 is identical to the current definition.[32]

Q. WHAT IS THE PARTIES' DISAGREEMENT CONCERNING THE DEFINITION OF THE TERM "SWITCHED ACCESS SERVICE"?

A. The parties disagree about whether the defined term "Switched Access Service" should be limited to service provided to an IXC, as the ICA defines that term. Sprint contends that Switched Access Service is limited to service provided to an IXC, and AT&T Illinois contends it is not.

Q. HOW DOES THE SUCCESSOR ICA DEFINE THE TERM "INTEREXCHANGE CARRIER"?

[32] The parties agreed to exclude the second sentence of the existing definition.

A. The parties have agreed to define the term "Interexchange Carrier" as "a carrier (other than a WSP [CMRS provider] or a LEC) that provides, directly or indirectly, interLATA or intraLATA Telephone Toll Services." Thus, neither Sprint nor AT&T Illinois would be considered an IXC for services provided pursuant to the ICA.

Q. THE ICA DEFINES IXC WITH RESPECT TO INTERLATA OR INTRALATA TOLL SERVICES. WHAT IS A LATA?

A. The parties have agreed to define the term LATA, which was originally established pursuant to the 1984 Modified Final Judgment ("MFJ") breaking up the former Bell System, as defined at 47 C.F.R. § 51.5:

> A Local Access and Transport Area is a contiguous geographic area
>
> (1) Established before February 8, 1996 by a Bell operating company such that no exchange area includes points within more than 1 metropolitan statistical area, consolidated metropolitan statistical area, or State, except as expressly permitted under the AT&T Consent Decree; or
>
> (2) Established or modified by a Bell operating company after February 8, 1996 and approved by the Commission.

There are 195 LATAs in the continental United States, more than four times the number of MTAs.

Q. DO AT&T ILLINOIS' ACCESS TARIFFS DEFINE INTEREXCHANGE CARRIER THE SAME AS THE PARTIES' ICA?

A. No. AT&T Illinois' state access tariff defines interexchange carrier as follows:

> Interexchange Carrier (IC) or Interexchange Common Carrier – any individual, partnership, association, joint-stock company, trust, governmental entity or corporation engaged for hire in intrastate communication by wire or radio, between two or more exchanges.[33]

[33] *See*, Illinois Bell Telephone Company, ILL. C.C. Tariff No. 21, 1st Revised Page 65, Effective April 25, 2003.

Similarly, AT&T Illinois' federal access tariff defines interexchange carrier as follows:

> Interexchange Carrier (IC) or Interexchange Common Carrier – any individual, partnership, association, joint-stock company, trust, governmental entity or corporation engaged for hire in interstate or foreign communication by wire or radio, between two or more exchanges.[34]

In other words, for the purpose of providing switched access service (which AT&T Illinois only offers pursuant to tariff), *any carrier* that provides service between exchanges (*i.e*., interexchange service) is an interexchange carrier. Accordingly, AT&T Illinois' switched access tariffs apply to any carrier, including Sprint, that uses its network to access AT&T Illinois' network for the purpose of originating or terminating an interexchange call, *i.e*., one that begins and ends in different exchanges (or MTAs for CMRS carriers); the tariff is not limited to "IXCs" as defined in the parties' ICAs.

Q. WHAT WOULD BE THE EFFECT OF LIMITING THE APPLICATION OF THE TERM "SWITCHED ACCESS SERVICE" TO IXCS?

A. If the term "Switched Access Service" were limited to an offering of access to an IXC (as the ICA defines IXC), then no traffic exchanged directly between the parties would ever be considered Switched Access Service traffic and, therefore, the tariffs would never apply. However, when AT&T Illinois and Sprint directly exchange traffic that originates and terminates in different MTAs, that InterMTA Traffic is properly considered Switched Access Service traffic subject to switched access tariffs.

Q. DO THE PARTIES HAVE RELATED ISSUES REGARDING SWITCHED ACCESS SERVICE TRAFFIC?

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[34] *See*, Ameritech Operating Companies, Tariff FCC No. 2, Section 2.6, 7th Revised Page 65, Effective November 25, 2004.

A. Yes. Issue 30 addresses the routing of Switched Access Service traffic and Issues 39-41 address the applicability of access charges to InterMTA Traffic.

Q. WHAT IS THE BASIS OF SPRINT'S POSITION?

A. Sprint asserts that switched access service tariffs are only applicable to IXCs, and Sprint is never an IXC. In addition, since the parties will interconnect and exchange traffic pursuant to the ICAs, the tariffs will never apply to the parties – even if the ICAs reference the tariff.

Q. DO YOU AGREE?

A. No. As I explained above, AT&T Illinois' switched access tariffs apply to interexchange carriers as the tariffs define that term – and that includes carriers such as Sprint. It is not unusual for an ICA to reference a tariff for rates, terms and conditions. In this situation, a service may be addressed in the ICA, but the rates, terms and conditions of the tariff govern (*i.e.*, "pursuant to" the tariff). For example, AT&T Illinois' language in Attachment 2 section 6.4.1.1 references Switched Access Services in the context of the access tariffs, but does so in a scenario for which there is no IXC involvement. This provision, if adopted, will direct the parties' arrangement, while the tariffs' terms, conditions, and rates govern the actual service at issue.

Q. HOW SHOULD THE COMMISSION RESOLVE ISSUE 8?

A. The Commission should adopt AT&T Illinois' definition of "Switched Access Service" and reject Sprint's definition. Sprint's definition would improperly exclude both parties from the offering of Switched Access Service to one another and is intended to enable

Sprint to avoid the payment of legitimate switched access charges for its InterMTA Traffic to which such charges should properly apply.

ISSUE 30(a): Should InterMTA Traffic be routed and billed in accordance with Feature Group D?

(Attachment 2, Sections 4.8.9, 4.10, 4.10.2, 4.10.3, 4.10.4.1, 4.10.5)

Q. WHAT IS THE DISPUTE IN ISSUE 30(a)?

A. The dispute is over the way the parties will route traffic to one another that comes from, or goes to, an IXC. It also involves a dispute over the way the parties will route InterMTA Traffic to one another that originates and terminates between them (*i.e.*, no IXC is involved).

Q. WHAT IS AT&T ILLINOIS' PROPOSAL FOR ROUTING THIS TRAFFIC?

A. Consistent with historical practice, traffic to or from an IXC via AT&T Illinois' access tandem will be routed over Equal Access Trunk Groups. An Equal Access Trunk Group, as defined in GT&C, section 2.47, is a Feature Group D trunk connected to an AT&T Illinois access tandem for traffic to or from an IXC. This is addressed in Attachment 2, section 4.10.3.

For mobile-to-land InterMTA Traffic, originated by Sprint and sent to AT&T Illinois where no IXC is involved, Sprint should route it over "Switched Access Services Trunks and facilities (FG-D)" per Attachment 2, section 4.10.4.1. In this context, an "Equal Access Trunk Group" is a type of "Switched Access Service."

For land-to-mobile InterMTA Traffic where no IXC is involved, AT&T Illinois will route it over the "Interconnection Trunks" per section 4.10.5.

Q. WHY DOES AT&T ILLINOIS' LANGUAGE STATE THAT AT&T ILLINOIS WILL ROUTE LAND-TO-MOBILE ORIGINATING INTERMTA TRAFFIC TO SPRINT OVER THE INTERCONNECTION TRUNKS (SECTION 4.10.5)?

A. While the Interconnection Trunks are designated for IntraMTA Traffic exchanged between the parties, there will be a small amount of land-to-mobile traffic that is InterMTA. This happens when a call appears to AT&T Illinois to be an IntraMTA call (based on the calling and called parties' telephone numbers), when in fact the call is InterMTA because, for example, the called party has roamed out of the MTA associated with his/her telephone number. In this situation, AT&T Illinois will not know that the Sprint end user is located out of the MTA and that the call is actually an InterMTA call. Accordingly, AT&T Illinois will route the call to the Interconnection Trunks as though it were an IntraMTA call. That is also why AT&T Illinois proposes an Originating InterMTA factor to be applied to the Interconnection Trunk usage for billing purposes. (See Issue 41).

Q. YOU MENTIONED THAT AT&T ILLINOIS WILL SEND ONLY A SMALL AMOUNT OF LAND-TO-MOBILE INTERMTA TRAFFIC OVER THE INTERCONNECTION TRUNKS. HOW DOES AT&T ILLINOIS ROUTE THE MAJORITY OF LAND-TO-MOBILE INTERMTA TRAFFIC?

A. The majority of InterMTA traffic from AT&T Illinois to Sprint is routed over access facilities to the customers' selected IXCs. The IXCs then deliver the traffic to Sprint based on the routing information Sprint populates in the LERG.

Q. WHY SHOULD THE ICA STATE THAT TRAFFIC SPRINT RECEIVES FROM IXCS DESTINED FOR AN AT&T ILLINOIS OFFICE SWITCH SHOULD NOT

BE ROUTED OVER THE ICA'S INTERCONNECTION TRUNKS (SECTION 4.8.9)?

A. Calls between IXCs and AT&T Illinois' end office switches are access calls, not the mutual exchange of traffic between Sprint and AT&T Illinois – they do not constitute section 251(c)(2) Interconnection eligible for TELRIC-based prices. Therefore, it is appropriate for the ICA to state that any calls Sprint receives from an IXC that are destined for an AT&T Illinois end office switch should not be routed to local Interconnection Facilities obtained at TELRIC-based pricing pursuant to the ICA. Instead, these calls should be routed to tariffed switched access services.

Q. WHY SHOULD MOBILE-TO-LAND TERMINATING INTERMTA TRAFFIC BE ROUTED AND BILLED IN ACCORDANCE WITH FEATURE GROUP D (SECTION 4.10.4.1)?

A. When Sprint transports traffic to AT&T Illinois across MTA boundaries, it is acting as an interexchange carrier for its end user traffic. (See Issue 8). InterMTA Traffic is interexchange traffic (*i.e.*, access traffic) and it should therefore be routed and billed pursuant to Feature Group D ("FG-D"), which is the industry standard for access traffic. AT&T Illinois' language in Attachment 2, section 4.10.4.1 appropriately directs that Sprint route its mobile-to-land InterMTA Traffic via Switched Access Service trunks and facilities using FG-D. This will enable AT&T Illinois to assess the current terminating switched access charges for this traffic. (See Issues 39-40).

Q. WHAT IS SPRINT'S PROPOSAL?

A Sprint would combine all traffic coming to AT&T Illinois onto a single trunk group – including traffic from IXCs and InterMTA Traffic originating on Sprint's network. The only exception to this would be in the situation where AT&T Illinois is not able to record

Sprint-originated traffic to an IXC. (See Sprint's second and third sentences in section 4.10.3). In that situation, and only that situation, Sprint would establish a separate trunk group.

Q. HOW DO YOU EVALUATE THIS PROPOSAL?

A. It does not properly describe the appropriate application of access services. All traffic from an IXC, or destined to an IXC, is access traffic and should be treated like any other switched access traffic. That means that it will ride over facilities that are purchased from AT&T Illinois' access tariff and that per-minute access charges will apply. And, as I explained for Issue 24(b), InterMTA Traffic from Sprint is also access traffic that is subject to the appropriate facilities and usage charges in AT&T Illinois' switched access tariff.

Q. SHOULD SPRINT BE SOLELY RESPONSIBLE FOR THE COST OF THE FACILITIES USED FOR EQUAL ACCESS TRUNKS (SECTION 4.10.3.1)?

A. Yes. The Equal Access Trunks carry *Sprint's* traffic to/from IXCs. This is not AT&T Illinois' traffic, so Sprint should be 100% responsible for the cost of the facilities over which the Equal Access Trunks ride.

Q PLEASE EXPLAIN THE DISPUTED LANGUAGE IN THE FIRST SENTENCE OF SECTION 4.10.3.

A. Sprint's use of the term "Switched Access Service traffic" is vague and confusing. The dispute in the first sentence is over what type of traffic must be routed over Equal Access Trunk Groups. The definition for "Switched Access Services" in GT&C, section 2.104 does not describe a type of traffic – it simply describes the services offered in AT&T

Illinois' switched access tariffs. It is clearer to simply say, as AT&T Illinois proposes, that "all traffic" to or from an IXC will be routed over Equal Access Trunk Groups.[35]

The other dispute in the first sentence is Sprint's wording "that Sprint elects to route to or receive from" an IXC. The application of the routing requirements of section 4.10.3 should not turn on a showing of whether Sprint "elected to route or to receive" certain traffic. That is far too subject to dispute and uncertainty. After all, how could one prove "election"? A better, more common-sense approach is to say the section applies to traffic that is "destined to be routed to, or that has been routed from" an IXC.

ISSUE 36(a): What are the appropriate classifications for traffic subject to intercarrier compensation?

ISSUE 36(b): Should the ICA identify traffic that is not subject to bill and keep? If so, what traffic should be excluded?

(Attachment 2, AT&T Sections 6.1, 6.1.1, 6.2.3, 6.2.3.1, 6.2.3.1.1 through 6.2.3.1.8; Sprint Section 6.2, 6.2.1)

Q. WHAT TRAFFIC CLASSIFICATIONS DOES AT&T ILLINOIS PROPOSE, AND WHY ARE THEY APPROPRIATE FOR THE ICA?

A. AT&T Illinois proposes three traffic classifications in its section 6.1.1 of Attachment 2 – IntraMTA Traffic, InterMTA Traffic, and IXC traffic. These classifications accurately capture the traffic types that are related to the intercarrier compensation provisions of Attachment 2, section 6. Either bill and keep or access compensation applies to traffic depending on whether a call is connected between the parties' end users within an MTA (bill and keep) or outside the MTA (access). Thus "Intra" or "Inter" MTA are the correct

[35] The same dispute appears in the last sentence of Sprint's section 4.10.3.

designations. IXC traffic is excluded from bill and keep (section 6.2.3.1.5) and instead is subject to the Meet Point Billing provisions of section 7.

Q. PLEASE EXPLAIN WHAT IS MEANT BY "BILL AND KEEP".

A. As defined by the FCC, "bill and keep" refers to an arrangement in which "carriers exchanging telecommunications traffic do not charge each other for specific transport and/or terminating functions or services."[36] In a bill and keep arrangement, carriers do not charge each other reciprocal compensation. Rather, bill and keep requires each carrier to recover its costs of transport and termination from its own end users.

Q. HAS THE FCC RULED ON THE APPLICABILITY OF BILL AND KEEP TO TRAFFIC EXCHANGED BETWEEN LECS AND CMRS CARRIERS?

A. Yes. In the *Connect America Order* (¶ 978*),* the FCC adopted bill and keep as the "default compensation for non-access traffic exchanged between LECs and CMRS providers."[37] Note that this bill and keep requirement applies only to "non-access" traffic, which is defined as "[t]elecommunications traffic exchanged between a LEC and a CMRS provider that, at the beginning of the call, originates and terminates within the same Major Trading Area, as defined in §24.202(a) of this chapter."[38] In other words, bill and keep applies only to IntraMTA Traffic. By comparison, InterMTA and IXC traffic are considered "access" traffic and are therefore subject to access charges.

Q. WHAT CLASSIFICATIONS DOES SPRINT PROPOSE?

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[36] 47 C.F.R. §51.713.
[37] See also 47 C.F.R. §51.705.
[38] 47 C.F.R. §51.701(b)(2).

A. Sprint proposes five classifications in its section 6.2.1 – IntraMTA Traffic, Non-Toll InterMTA Traffic, Toll InterMTA Traffic, Transit Service Traffic, or VoIP-PSTN Traffic.

Q. WHAT ARE AT&T ILLINOIS' OBJECTIONS TO SPRINT'S TRAFFIC CLASSIFICATIONS?

A. Sprint's traffic classifications are not consistent with the regulations regarding compensation for various traffic types. For example, Sprint makes an improper distinction between Toll and Non-Toll InterMTA traffic. No such distinction should exist for purposes of this ICA. (See Issue 7). In addition, transit traffic should not be listed because it is not subject to intercarrier compensation between the parties and is addressed in Att. 2, section 5. VoIP-PSTN traffic is treated in the same manner as telecommunications traffic, so there is no need to separately classify it as a traffic type for compensation.

Q. WHY DOES AT&T ILLINOIS PROPOSE TO INCLUDE, IN ATTACHMENT 2, SECTIONS 6.2.3 THROUGH 6.2.3.1.6, A LIST OF TRAFFIC TYPES NOT SUBJECT TO BILL AND KEEP COMPENSATION?

A. The ICA should clearly identify traffic that is not subject to bill and keep to eliminate ambiguity and minimize disputes. Bill and keep should apply only to the transport and termination of IntraMTA Traffic between an AT&T Illinois end user and a Sprint end user. Further, with the exception of the traffic of third party wholesale customers of Sprint that use Sprint NPA-NXXs and any other CMRS carriers' roaming traffic, both of which are treated as Sprint end user traffic, there should not be any traffic exchanged under the ICA that does not either originate from or terminate to a Sprint end user. To

the extent there is any such traffic, however, it would not be classified based on MTA boundaries and would therefore not be eligible for IntraMTA bill and keep compensation.

Q. WHY ARE TOLL FREE CALLS EXCLUDED FROM BILL AND KEEP?

A. Toll free calls (*e.g.*, 800) are access calls that remain subject to the existing access charge regime and are therefore exempt from bill and keep.

Q. WHY ARE THIRD PARTY CALLS EXCLUDED FROM BILL AND KEEP?

A. The parties' agreed definition of Third Party Traffic is "traffic carried by AT&T ILLINOIS acting as an intermediary that is originated and terminated by and between Sprint and a Third Party Telecommunications Carrier." As such, this traffic is not subject to reciprocal compensation with respect to AT&T Illinois and Sprint. It is therefore appropriate to also exclude it from the bill and keep provisions of the ICA.

Q. WHY ARE INTERMTA AND IXC CALLS EXEMPT FROM BILL AND KEEP?

A. The FCC adopted bill and keep only for IntraMTA traffic. Contrary to Sprint's claim, the FCC did not establish bill and keep as the compensation mechanism for so-called Non-Toll InterMTA Traffic. (See Issues 39-41). Similarly, the FCC did not adopt bill and keep for IXC traffic, which continues to be subject to the FCC's access charge regime. Accordingly, it is appropriate to expressly exclude InterMTA and IXC traffic from the traffic subject to bill and keep.

ISSUE 37: Should IntraMTA Traffic be subject to bill and keep without exception?

(Attachment 2, AT&T Sections 6.2, 6.2.2; Sprint Section 6.2.2.1)

Q. WHAT IS THE DISPUTE FOR ISSUE 37?

A. The parties generally agree that IntraMTA traffic is subject to bill and keep. Sprint, however, seeks to apply the terms and conditions of the ICA to any indirect interconnection arrangements it may have with AT&T Illinois. In addition, Sprint objects to referencing AT&T Illinois' specific exceptions to the bill and keep (Issue 36(b)).

Q. WHY SHOULD SPRINT'S LANGUAGE BE REJECTED?

A. Sprint's language states that IntraMTA traffic exchanged both directly *and indirectly* will be subject to bill and keep. Any traffic that Sprint routes via another carrier (*i.e.*, indirectly), however, will not be exchanged pursuant to the ICA. Thus, the bill and keep provisions in Attachment 2 will not apply.

Q. SPRINT'S POSITION IN ITS PETITION DPL IS THAT AT&T ILLINOIS' LANGUAGE WOULD REQUIRE DIRECT INTERCONNECTION FOR BILL AND KEEP TO APPLY. IS THAT TRUE?

A. No. AT&T Illinois had proposed language that Sprint apparently interpreted as requiring Sprint to route all of its IntraMTA Traffic to the IntraMTA Trunks for bill and keep to apply. When Sprint explained its belief that AT&T Illinois' language would preclude Sprint from routing its traffic to AT&T Illinois via indirect interconnection, AT&T Illinois withdrew its language. Thus, bill and keep will apply to the IntraMTA Traffic Sprint routes to AT&T Illinois over the parties' direct Interconnection, even if Sprint routes some of its IntraMTA Traffic to AT&T Illinois via indirect interconnection through another carrier.

ISSUE 39(a): Should the ICA include compensation terms for Sprint's term "Non-Toll InterMTA Traffic"?

(Attachment 2, Sprint Section 6.2.2.2)

ISSUE 39(b): What is the appropriate compensation for mobile-to-land InterMTA Traffic?

(Attachment 2, AT&T Section 6.4, 6.4.1, 6.4.1.1)

ISSUE 39(c): Should the ICA include terms for AT&T to estimate the percentage of mobile-to-land InterMTA Traffic, if any, improperly routed over trunks obtained pursuant to the ICA and bill Sprint for terminating access in accordance with that percentage?

(Attachment 2, AT&T Section 6.4.1.2, 6.4.1.4)

ISSUE 40(a): Should the ICA include compensation terms for Sprint's term "Toll InterMTA Traffic"?

ISSUE 40(b): What is the appropriate compensation for mobile-to-land InterMTA Traffic?

(Attachment 2, AT&T Section 6.2.2.3)

Q. WHAT IS THE FUNDAMENTAL DISPUTE BETWEEN THE PARTIES REGARDING COMPENSATION FOR INTERMTA TRAFFIC?

A. Issues 39(a), (b) and (c) and 40 (a) and (b) all relate to the same fundamental dispute. Specifically, AT&T Illinois proposes to maintain the status quo regarding compensation for InterMTA Traffic, pursuant to which such traffic is subject to tariffed switched access charges, with only the terminating access rate itself changing, in accordance with the FCC's *Connect America Order*. In clear contrast, Sprint proposes that all "non-toll" InterMTA Traffic exchanged between the parties be subject to bill and keep immediately upon the effective date of the ICA, meaning that AT&T Illinois would no longer be able to charge originating or terminating access charges, as appropriate, on InterMTA Traffic as it has been able to do under the current ICA. In support of its position, Sprint claims

that the FCC effectively treats InterMTA Traffic no differently than IntraMTA Traffic. Sprint asserts that only "toll" InterMTA Traffic is subject to access charges, but claims it has very little, if any, such traffic. Sprint therefore concludes that all InterMTA Traffic should subject to bill and keep.

Q. WHY SHOULD THE COMMISSION REJECT SPRINT'S PROPOSAL TO DISTINGUISH BETWEEN "TOLL" AND "NON-TOLL" INTERMTA TRAFFIC?

A. As I explained above for Issue 7, the FCC's rules governing intercarrier compensation make no relevant distinction between "toll" and "non-toll" InterMTA Traffic. Sprint's proposed language making such a distinction is contrary to the FCC's rules. The designation of traffic as IntraMTA or InterMTA is not based on whether the calling party is assessed a toll charge, as Sprint asserts. Instead, as I discuss below, it is based solely on the location of the calling and called parties at the beginning of the call.

Q. HAS THE FCC PROVIDED GUIDANCE REGARDING DETERMINING THE APPROPRIATE END POINTS OF A CMRS CALL FOR PURPOSES OF INTERCARRIER COMPENSATION?

A. Yes. The FCC, in paragraph 1044 of its *Local Competition Order*, acknowledges that the obvious mobile nature of CMRS calls "could make it difficult to determine the applicable transport and termination rate or access charge." In lieu of carriers attempting to determine the precise geographic location of the CMRS device at call origination, the FCC concludes that "the location of the initial cell site when a call begins shall be used as the determinant of the geographic location of the mobile customer."

Q. DOES AT&T ILLINOIS CURRENTLY FOLLOW THE FCC'S RECOMMENDED METHOD FOR IDENTIFYING MOBILE CALLS BY USING CELL SITE DATA TO DETERMINE THE LOCATION OF A MOBILE CUSTOMER AT THE BEGINNING OF A CALL?

A. Yes. AT&T Illinois typically works with CMRS carriers and, consistent with the terms of their respective ICAs, conducts traffic studies in order to identify the amount of InterMTA traffic being exchanged in Illinois. The parties then agree to apply a factor reflecting the actual InterMTA percentage for traffic originated by the CMRS carrier and terminated to AT&T Illinois for purposes of billing intercarrier compensation.

Q. DO AT&T ILLINOIS AND SPRINT FOLLOW THIS PROCESS TODAY?

A. Yes.

Q. WHAT IS THE APPROPRIATE COMPENSATION FOR MOBILE-TO-LAND INTERMTA TRAFFIC?

A. Under established industry practice, CMRS carriers pay terminating access charges to local exchange carriers ("LECs") on mobile-to-land InterMTA calls transported on wireless networks. This is fully consistent with settled notions of when a LEC is entitled to terminating access charges. As I stated above, when a CMRS carrier transports traffic across MTA boundaries, it is acting as an interexchange carrier for its end users. The CMRS carrier's customer is making the call, and the CMRS carrier is receiving all the end user revenue for the call. The LEC's customer did not make the call, and the LEC receives no revenue for the call from the CMRS carrier's customer. The CMRS carrier is thus obtaining "access" from the LEC to complete its (the CMRS carrier's) call, and therefore the LEC is entitled to receive compensation from the CMRS carrier to reimburse the LEC for its costs in completing the call.

Q. ARE SWITCHED ACCESS CHARGES FOR INTERMTA TRAFFIC CONSISTENT WITH FCC GUIDANCE?

A. Yes. The FCC's *Local Competition Order* addresses how calls are jurisdictionalized (local, intrastate, interstate) and the intercarrier compensation charges that apply to each category. Paragraph 1036 addresses the application of reciprocal compensation for IntraMTA traffic: "[T]raffic to or from a CMRS network that originates and terminates within the same MTA is subject to transport and termination rates under section 251(b)(5), rather than interstate and intrastate switched access charges." With regard to the rating of mobile traffic, the FCC states: "[T]he geographic locations of the calling and the called party determine whether a particular call should be compensated under transport and termination rates established by one state or another, or under interstate or intrastate access charges."[39]

Q. HOW DO THE PARTIES HANDLE TERMINATING INTERMTA TRAFFIC UNDER THE CURRENT ICA?

A. The parties' current ICA contains the following language:

> 6.3.1 Terminating InterMTA Traffic
>
> 6.3.1.1 All Terminating InterMTA Traffic is subject to the rates, terms and condition set forth in [AT&T Illinois'] Federal and/or State Access Service tariffs and payable to [AT&T Illinois].
>
> 6.3.1.2 [Sprint] represents that it routes Terminating InterMTA Traffic to [AT&T Illinois] via an IXC which will result in such traffic being delivered over such IXC's FGD facilities.
>
> 6.3.1.3 Notwithstanding any other provision of this Agreement, for all traffic sent over local Interconnection Trunks determined by [AT&T Illinois] to be Terminating InterMTA Traffic, [AT&T Illinois] is authorized to charge, and [Sprint] will pay, the Incidental Terminating InterMTA Traffic rate stated in Appendix Pricing – Wireless for such traffic for charges arising pursuant to this Agreement. Carrier will work cooperatively with [AT&T

[39] *Local Competition Order*, paragraph 1044.

Illinois] to identify and reroute any Terminating InterMTA Traffic off local Interconnection Trunks.

Q. IS AT&T ILLINOIS PROPOSING TO CHANGE THE TREATMENT OF MOBILE-TO-LAND INTERMTA TRAFFIC?

A. No. AT&T Illinois proposes that Sprint's mobile-to-land InterMTA Traffic remain subject to AT&T Illinois' access tariffs (section 6.4.1.1). In the event Sprint does route InterMTA Traffic to AT&T Illinois over non-access facilities, AT&T Illinois will continue to be entitled to assess terminating access charges (section 6.4.1.2).[40]

Q. DID THE *CONNECT AMERICA ORDER* CHANGE HOW INTERMTA TRAFFIC IS TO BE COMPENSATED?

A. No. Under the FCC's rules, InterMTA Traffic has been and continues to be treated as access traffic. As I previously discussed, in the *Connect America Order*, the FCC made it clear that the requirement for an immediate implementation of bill and keep applies only to "non-access telecommunications traffic," defined in 47 C.F.R. §51.701(b)(2) as "telecommunications traffic exchanged between a LEC and a CMRS provider that, at the beginning of the call, originates and terminates within the same Major Trading Area, as defined in §24.2029a) of this chapter," *i.e.*, IntraMTA Traffic. The FCC did not abandon section 251(g) access compensation for InterMTA traffic during the transition to bill and keep for terminating traffic. Instead, the FCC preserved existing access arrangements while stepping down the rates over six years. As the FCC stated:

[40] AT&T Illinois' proposed language in section 6.4.1.2 indicates that it will bill Sprint terminating access charges from the access tariff (rather than the pricing sheet of the ICA). This is appropriate because AT&T Illinois is reducing its terminating access charges annually pursuant to the *Connect America Order*, and simply referencing the tariff avoids the need for multiple ICA amendments to modify the rate.

> Although we have adopted a glide path to a bill-and-keep methodology for access charges generally and for reciprocal compensation between two wireline carriers, we find that a different approach is warranted for non-access traffic between LECs and CMRS providers for several reasons.

Connect America Order, ¶ 995. As this statement makes clear, it is only with respect to non-access (*i.e.*, IntraMTA) traffic that the FCC singled out the traffic between LECs and CMRS carriers for special treatment, *i.e.*, the immediate implementation of bill and keep. Access (*i.e.*, InterMTA) traffic between LECs and CMRS carriers is subject to the same "glide path to a bill and keep methodology for access charges generally" to which IXC-to-LEC access traffic is subject.

Q. IS SPRINT'S LANGUAGE CONSISTENT WITH THE *CONNECT AMERICA ORDER*?

A. No. Sprint's language requiring bill and keep for terminating InterMTA Traffic immediately is in violation of the FCC's order to transition to bill and keep for access traffic over a six year period.

Q. WHAT TERMS DOES AT&T ILLINOIS PROPOSE TO ADDRESS TERMINATING MOBILE-TO-LAND INTERMTA TRAFFIC?

A. As I indicated above, AT&T Illinois' language in Attachment 2, sections 6.4.1.1 and 6.4.1.2 requires that Sprint route all InterMTA Traffic directed to AT&T Illinois (as opposed to an IXC) over tariffed switched access trunks and not over IntraMTA Interconnection or Equal Access Trunks, and further provides that such traffic is subject to access charges. In the event Sprint improperly routes InterMTA Traffic over Interconnection or Equal Access trunks, the traffic should still be subject to access

charges. Sprint should not be permitted to avoid legitimate access charges by misrouting its InterMTA Traffic.

Q. WHAT IS THE STATUS OF AT&T ILLINOIS' PROPOSED LANGUAGE FOR SECTION 6.4.1.4?

A. AT&T Illinois' proposed language for section 6.4.1.4, as reflected in its Response, was based on its standard arrangements with CMRS carriers regarding terminating InterMTA Traffic. Since Sprint and AT&T Illinois previously reached agreement on a different arrangement, and AT&T Illinois does not seek to change it, AT&T Illinois proposes the following language[41] to replace section 6.4.1.4:

> Terminating InterMTA Traffic Percentage: Surrogate Method Based on Cell Studies as Agreed upon by the Parties (Note: If the Parties are unable to agree on a surrogate method regarding the volume of InterMTA traffic that is sent by Sprint to AT&T ILLINOIS for termination, AT&T ILLINOIS may rely upon the best data reasonably available to bill Sprint for such traffic, and Sprint, may, if it chooses, challenge the data and amount billed, pursuant to the Agreement's dispute resolution procedures, as not accurately reflecting the actual volume of InterMTA Traffic being sent to AT&T ILLINOIS for termination.) The InterMTA Factor that is arrived at by the Parties, whether through use of a surrogate method, or through the use of actual cell site data, or through the dispute resolution procedures, is Sprint specific, and any other carrier adopting this Agreement, will have to arrive at its own carrier-specific InterMTA Factor, with AT&T ILLINOIS, either through the use of actual cell site data, or through a surrogate method agreed upon by the carrier and AT&T ILLINOIS, or through the dispute resolution procedures, provided by this Agreement.

[41] Since AT&T Illinois alone is not responsible for the cell site traffic studies, AT&T Illinois also slightly revised its language in section 6.4.1.2 to be consistent with current practice, deleting the reference to AT&T Illinois traffic studies:

> 6.4.1.2 Sprint terminating InterMTA Traffic shall not be routed over IntraMTA Interconnection or Equal Access Interconnection Trunks; however, the Parties agree that for any terminating InterMTA Traffic that is improperly routed over IntraMTA Interconnection or Equal Access trunks, based on data from ~~AT&T ILLINOIS~~ traffic studies, AT&T ILLINOIS is authorized to charge, and Sprint will pay to AT&T ILLINOIS for such traffic, the Terminating InterMTA Traffic rate stated in the applicable intrastate and interstate Switched Access tariff(s).

Q. HOW WILL AT&T ILLINOIS KNOW IF SPRINT IS ROUTING INTERMTA TRAFFIC OVER INTRAMTA INTERCONNECTION OR EQUAL ACCESS TRUNKS?

A. As reflected by section 6.4.1.4 above, the parties will conduct traffic studies to determine if Sprint is routing InterMTA traffic over IntraMTA Interconnection or Equal Access trunks. If Sprint is routing traffic in that manner, AT&T Illinois will use the results of the studies to estimate the percentage of terminating mobile-to-land InterMTA traffic and bill Sprint accordingly. The parties will continue to perform traffic studies, typically quarterly, and agree to any changes in the factor that will be applied for Sprint's traffic in the following quarter.

Q. DO AT&T ILLINOIS AND SPRINT FOLLOW THIS PROCESS TODAY?

A. Yes. Today, Sprint provides AT&T Illinois with the results of quarterly cell site studies, which are used to determine the percentage of mobile-to-land traffic routed over non-access trunks for which AT&T Illinois bills the terminating access rate for the following quarter.

Q. HOW SHOULD THE COMMISSION RULE ON ISSUES 39(a), (b) AND (c) AND 40 (a) AND (b)?

A. These issues all relate to the same fundamental dispute – what compensation (if any) should apply to mobile-to-land InterMTA Traffic Sprint routes to AT&T Illinois. The Commission should adopt AT&T Illinois' language because it maintains the status quo regarding compensation for InterMTA Traffic, pursuant to which such traffic is subject to tariffed switched access charges, with only the terminating access rate itself changing, in accordance with the FCC's *Connect America Order*. Sprint's language conflicts with the *Connect America Order* and should be rejected.

ISSUE 30(b): Should the ICA state that the parties will abide by the Ordering and Billing Forum's guidelines regarding JIP?

(Attachment 2, Section 4.10.6)

ISSUE 39(d): Should the ICA obligate Sprint to provide JIP in the call records for its originating IntraMTA and InterMTA Traffic or permit AT&T to use alternate methods to determine jurisdiction?

(Attachment 2, Section 6.4.1.3)

Q. WHAT IS "JIP" AND HOW IS IT USED?

A. "JIP," which stands for Jurisdictional Information Parameter, is a field in the call data record that may be used as a tool for classifying mobile-to-land traffic as either IntraMTA or InterMTA. Sprint currently provides AT&T Illinois with cell site data to identify the locations of Sprint's originating callers. However, this data is not sufficiently reliable for billing purposes. AT&T Illinois therefore uses JIP in conjunction with Calling Party Number ("CPN") to validate the cell site data Sprint provides to verify the percentage of calls that are InterMTA.

Q. SHOULD THE ICA OBLIGATE SPRINT TO PROVIDE JIP IN THE CALL RECORDS FOR ITS ORIGINATING INTRAMTA AND INTERMTA TRAFFIC OR PERMIT AT&T ILLINOIS TO USE ALTERNATE METHODS TO DETERMINE JURISDICTION?

A. Yes. Sprint should be obligated to populate the JIP to enable AT&T Illinois to validate Sprint's usage (*i.e.*, IntraMTA vs. InterMTA traffic) and adjust the InterMTA percentage to properly bill Sprint only for the InterMTA traffic. (See Issue 39(c)). Absent the JIP, AT&T Illinois must be permitted to use alternate information to classify traffic as IntraMTA or InterMTA for billing purposes. This may be the Originating Location Routing Number ("OLRN"), the CPN, or any other mutually agreed indicator of the originating cell site. Thus, if Sprint has what it believes to be a more accurate way of

identifying the originating location than JIP (or OLRN or CPN), it is welcome to discuss that with AT&T Illinois so the parties may agree to use another indicator.

Q. SHOULD THE ICA STATE THAT THE PARTIES WILL ABIDE BY THE ORDERING AND BILLING FORUM'S GUIDELINES REGARDING JIP?

A. Yes. The Ordering and Billing Forum ("OBF") document referenced in AT&T Illinois' language in section 4.10.6 provides the rules for populating JIP. As I stated above, although JIP alone does not provide sufficient data to identify traffic as IntraMTA or InterMTA, when JIP is populated according to the OBF's guidelines it can be a valuable tool in validating the percent of mobile-to-land InterMTA traffic. It is not only important that Sprint populate the JIP field in the call records, it is important that it does so correctly (*i.e.*, in accordance with OBF industry standards).

Q. HOW SHOULD THE COMMISSION RESOLVE ISSUES 30(b) AND 39(d)?

A. The Commission should adopt AT&T Illinois' language in Attachment 2, sections 4.10.6 and 6.4.1.3, which direct Sprint to populate its call records with JIP in accordance with OBF guidelines. This will enable more accurate billing of mobile-to-land InterMTA usage.

ISSUE 41: Is AT&T entitled to collect switched access charges on its originating InterMTA traffic? If so, at what rate?

(Attachment 2, AT&T Sections 6.4.2, 6.4.2.1, 6.4.2.2; Sprint Section 6.1)

Q. WHAT HAPPENS WHEN AN AT&T ILLINOIS CUSTOMER DIALS A SPRINT TELEPHONE NUMBER IN THE SAME MTA?

A. Whenever an AT&T Illinois end user dials a Sprint telephone number where both the calling and called telephone numbers are assigned within the same MTA, the call is

routed over the IntraMTA trunks. (See Issue 30(a), Attachment 2, section 4.10.5). Yet, because of the inherent nature of mobile telephony, that locally-dialed Sprint end user may or may not be physically within the same MTA. If the Sprint end user is outside of their home MTA at the beginning of the call, then the call will cross MTA boundaries for termination, making what appears to a locally-dialed IntraMTA call an InterMTA call. AT&T Illinois' language in section 6.4.2.1 accurately captures this call scenario.

Q. SHOULD ORIGINATING LAND-TO-MOBILE INTERMTA TRAFFIC BE SUBJECT TO ACCESS CHARGES?

A. Yes. When an AT&T Illinois end user places a local call to a Sprint customer (making it look like an IntraMTA call), but the call is terminated to that Sprint customer in another MTA (making it actually an InterMTA call), AT&T Illinois is entitled to originating access charges from Sprint at AT&T Illinois' tariffed rates – just as AT&T Illinois is entitled to originating access charges on any other long distance call. Paragraph 1043 of the *Local Competition Order* states that "most traffic between LECs and CMRS providers is not subject to interstate access charges unless it is carried by an IXC, *with the exception of certain interstate interexchange service provided by CMRS carriers*, such as some 'roaming' traffic that transits incumbent LECs' switching facilities …" (Emphasis added). Thus, where the CMRS carrier is providing an interexchange (*i.e.*, InterMTA) service to its customer, the originating landline carrier is due access charges. Roaming is merely one example of such a situation, and the FCC does not foreclose other examples. Indeed, the FCC's statement that "[i]n this and other situations where a cellular customer is offering interexchange service, the local telephone company providing interconnection is providing exchange access to an interexchange carrier and may expect to be paid the

appropriate access charge" makes that clear.[42] The plain reading of the language demonstrates that in any situation where a CMRS carrier is offering interexchange service, it should be subject to appropriate access charges. Sprint is acting as an interexchange provider when it transports a call across MTA boundaries and, as such, it owes AT&T Illinois appropriate access compensation.

Q. DOES AT&T ILLINOIS PROPOSE LANGUAGE TO ADDRESS COMPENSATION FOR ORIGINATING INTERMTA TRAFFIC?

A. Yes. AT&T Illinois proposes appropriate terms in sections 6.4.2.1 and 6.4.2.2. Because the parties cannot measure originating land-to-mobile InterMTA traffic, AT&T Illinois' language provides that it will estimate the volume of such traffic based on the surrogate usage percentage set forth in the Price Sheet (*i.e.*, 6%), which will be applied to the total minutes of use AT&T Illinois delivers directly to Sprint. For lack of any better information, AT&T Illinois' language assumes that the originating InterMTA traffic is 50% interstate and 50% intrastate and will bill Sprint at the blended access rate set forth in the Price Sheet. As a practical matter, however, the specific intrastate/interstate breakdown of traffic should not make a difference, since it my understanding that AT&T Illinois' intrastate access charges (originating as well as terminating) mirror its interstate switched access charges.

Q. SPRINT ASSERTS THAT AT&T ILLINOIS IS NOT ENTITLED TO ACCESS ON ORIGINATING LAND-TO-MOBILE INTERMTA TRAFFIC BECAUSE SUCH CALLS ARE NOT DIALED AS "TOLL" CALLS. DO YOU AGREE?

[42] Local Competition *Order*, footnote 2485.

A. No. As I have previously discussed, the FCC's orders make it clear that the compensation for a land-to-mobile call, as in the case of a mobile-to-land call, is not determined based on how the call is placed, or whether the end user of the originating carrier is charged a separate "toll" for making the call. Rather, the compensation is based on the originating and terminating points at the beginning of the call.[43] Accordingly, when an AT&T Illinois end user dials what appears to be an IntraMTA call, and the Sprint end user is outside the MTA at the beginning of the call, it is an InterMTA call subject to originating access.

Q. DID THE FCC ELIMINATE ORIGINATING ACCESS ON LAND-TO-MOBILE INTERMTA TRAFFIC IN ITS *CONNECT AMERICA ORDER*?

A. No. The FCC stated that the ultimate end state for all access traffic is bill and keep, which means that originating access would eventually go to bill and keep.[44] Importantly, however, the *Connect America Order* did not address originating access traffic and did not establish any transition to bill and keep for originating traffic.[45] In the meantime and until the FCC issues an order directing otherwise, the existing originating access regime stays in place.

Q. DOES AT&T ILLINOIS CONTINUE TO ASSESS ORIGINATING ACCESS CHARGES TO INTEREXCHANGE CARRIERS?

A. Yes. Pursuant to its tariffs, AT&T Illinois continues to bill originating access to IXCs. The FCC has not yet eliminated originating access and has not yet begun to step the rates down towards bill and keep.

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[43] *Local Competition Order*, paragraphs 1043-1044.
[44] *Connect America Order* at ¶ 34.
[45] *Id*. at ¶ 35.

Q. DID THE FCC CHANGE THE METHOD OF DETERMINING THE JURISDICTION / CLASSIFICATION OF TRAFFIC?

A. No. The FCC addressed only the appropriate compensation mechanism for section 251(b)(5) terminating traffic prospectively. It did not disturb the determination as to whether calls are InterMTA or IntraMTA.

Q. DIDN'T THE FCC CONCLUDE THAT ACCESS TRAFFIC WAS SUBJECT TO SECTION 251(b)(5) RECIPROCAL COMPENSATION RATHER THAN SECTION 251(g) ACCESS CHARGES?

A. It did, but access rates are not immediately abandoned for bill and keep. Although the FCC concluded that it had statutory authority to supersede section 251(g) with section 251(b)(5), it applied a transition mechanism for terminating access, stepping the rates down to bill and keep over six years. More importantly for this issue, the FCC deferred entirely its treatment of originating access. The FCC did not subject originating access to reciprocal compensation even on a transitional basis.[46]

VII. PRICING SHEETS

ISSUE 70: Which Party's Pricing Sheets and Rates should be adopted?

(Attachment 2, AT&T Sections 6.4.2, 6.4.2.1, 6.4.2.2; Sprint Section 6.1)

Q. PLEASE DESCRIBE THE DOCUMENT TO WHICH THIS ISSUE RELATES.

A. This issue deals with the document that consists of a one page summary sheet entitled "Pricing Sheet (Wireless)-Illinois" attached to which is a list of prices applicable to service under the ICA. Originally, Sprint and AT&T Illinois had attached to their Petition and Response, respectively, competing versions of this document. The parties

[46] *Connect America Order*, at ¶ 764.

now have agreed to a single form of that document, on which the differences in their positions are identified in the same manner as differences in proposed language are identified on other ICA Attachments. See Schedule PHP-2.

Q. DOES SCHEDULE PHP-2 REFLECT ANY DISPUTES OVER PRICES THAT ARE NOT THE SUBJECT OF OTHER ISSUES ADDRESSED BY YOU OR OTHER AT&T ILLINOIS WITNESSES?

A. No. That schedule reflects no differences between the parties' pricing proposals that are not covered by another issue and addressed elsewhere in AT&T Illinois' testimony. For example, the schedule reflects competing proposals for transit pricing, which is the subject of Issue 43 addressed by AT&T Illinois witness Scott McPhee. As another example, the schedule reflects the parties' dispute over Sprint's Interconnection Facility cost sharing proposal, which I address above for Issue 46.

Q. ARE THERE ANY OTHER ISSUES IDENTIFIED ON SCHEDULE PHP-2?

A. Yes. On the one page summary sheet entitled "Pricing Sheet (Wireless)-Illinois," Sprint proposes to identify (i) for item 4, the transit rate; and (ii) for Item 6, the specific percentage for either the Facility Cost Reduction (as proposed by Sprint for Issue 46) or the Shared Facility Factor (as proposed by AT&T Illinois for Issue 49), depending on how the Commission rules on those issues. For both items, AT&T Illinois' preference is to simply refer to the attached Pricing Sheets, in which the competing transit rates and factors are already listed. There is no reason to list the transit prices and factors in two places.

Q. PLEASE EXPLAIN WHY AT&T ILLINOIS PROPOSES TO INCLUDE THE WORDS "INTENTIONALLY LEFT BLANK" FOR LINE 2, WHERE SPRINT

PROPOSES TO INCLUDE ITS POSITION THAT BILL AND KEEP SHOULD APPLY TO TERMINATING INTERMTA TRAFFIC.

A. As I have previously discussed with respect to Issues 39(a)-(b) and 40(a)-(b), Sprint's position, as reflected on the Pricing Sheet, that Terminating InterMTA Traffic should be subject to bill and keep is contrary to the FCC's rules and should be rejected. Rather, Sprint's mobile-to-land InterMTA Traffic should continue to be, as it is today, subject to switched access rates. As I also discussed, AT&T Illinois' proposed language for Attachment 2, section 6.4.1.2 provides that AT&T Illinois will continue to bill Sprint terminating access charges from its access tariff, rather than from the ICA's pricing schedule. For this reason, AT&T Illinois does not propose to include a reference to Terminating InterMTA Rates on the Pricing Sheet.

VIII. CONCLUSION

Q. PLEASE SUMMARIZE THE FUNDAMENTAL POINTS IN YOUR TESTIMONY.

A. Sprint and AT&T Illinois currently interconnect pursuant to a long-standing CMRS interconnection arrangement, which includes dual POIs and sharing of facility costs between the parties. Sprint has requested section 251(c)(2) Interconnection with AT&T Illinois for its successor ICA in order to take advantage of the opportunity to obtain TELRIC-priced Interconnection Facilities. Because Sprint's current arrangement is not compliant with section 251(c)(2), Sprint is not entitled to TELRIC-based Interconnection Facility pricing until and unless it effectuates a transition to the section 251(c)(2) Interconnection arrangement. AT&T Illinois has proposed language to handle the interim, transition period.

For the purpose of implementing section 251(c)(2), the FCC has defined Interconnection in 47 C.F.R. § 51.5 as the linking of two carrier's networks for the mutual exchange of traffic. Thus, Sprint may use TELRIC-priced Interconnection Facilities solely for the mutual exchange of traffic between Sprint and AT&T Illinois and may not use those facilities to carry non-Interconnection traffic, such as backhauling, 911 traffic or traffic between Sprint and IXCs.

In a section 251(c)(2) Interconnection arrangement, the POI is on AT&T Illinois' network, with each party responsible (physically and financially) for the facilities on its respective side of the POI. Therefore, since Interconnection Facilities are on Sprint's side of the POI(s), Sprint should be 100% financially responsible for those facilities; Sprint's proposal to require AT&T Illinois to share in the cost of those facilities must be rejected.

There are three distinct types of traffic exchanged between the parties' networks that need to be addressed in the ICA – IntraMTA Traffic, InterMTA Traffic, and IXC traffic. Only IntraMTA Traffic is subject to bill and keep in accordance with the *Connect America Order*. Pursuant to the existing access regime, which the FCC left undisturbed (with the exception of stepping down terminating access charges towards bill and keep over a six year period), InterMTA Traffic remains subject to originating and terminating access charges – just as they are today. As for IXC traffic, when Sprint's end users originate or terminate calls to/from IXCs via AT&T Illinois' access tandem, AT&T

Illinois is providing an access service, and such calls should be routed over access facilities.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.